

## A Cold Shoulder For The Poor



Karen Martie

■ New York City is  
letting people freeze  
By Wayne Barrett

■ Reagan taxes  
consumers to pump  
oil profits  
By David Moberg



# THE INSIDE STORY



Paul Weyrich—one of the New Right's "terrible three."

## The New Right vs. Ronald Reagan

By John Judis

After Ronald Reagan's election victory last Nov. 4, John "Terry" Dolan of the National Conservative Political Action Committee (NCPAC), Paul Weyrich of the Committee for the Survival of a Free Congress (CS-FC), and Howard Phillips of the Conservative Caucus held a press conference at which they warned Vice-President George Bush that he had better heed the electorate's conservative mandate. Even some of the New Right's strongest supporters, like Mellon heir Richard Scaife, found such behavior in bad taste, and at a private meeting in Washington, conservatives reportedly threatened the "terrible three" with financial retribution if they didn't calm down and let the Reagan administration have a chance.

Dolan, Weyrich and Phillips bit their tongues for a while, but they are now wagging them again. Speaking to right-wing evangelists at a Jan. 27 symposium sponsored by the Religious Roundtable, Dolan, Weyrich and Phillips, along with their mentor, direct mail wizard Richard Viguerie, blasted the Reagan administration. "Almost every conservative I've talked to the past few months has been disappointed in the initial appointments of the Reagan transition team and the Reagan White House," Viguerie said. "Quite frankly, I think most of us expected to be disappointed. I knew that conservatives would get the short end of the stick. But I didn't expect the stick to be this short."

Except for the appointment of David Stockman as head of the Office of Management and the Budget (OMB), the New Right leaders had nothing good to say about the Reagan cabinet or staff. "He has chosen to surround himself with people who do not share the same vision of America that he has," Dolan remarked.

Phillips ran down the primary sources of dissatisfaction: Secretary of State Alexander Haig ("He is filling the department with second and third-level proteges of Henry Kissinger"); Defense Secretary Caspar Weinberger and his Deputy, Frank Carlucci ("I don't know what he is doing in a Reagan administration, and I don't like it"); Treasury Secretary Donald Regan and Commerce Secretary Malcolm Baldrige ("people who

belong to the Council on Foreign Relations"); Housing and Urban Development Secretary Samuel Pierce ("a Wall Street Rockefeller Republican"); Education Secretary Terrel Bell ("a slap in the face of every person in this room"); and Chief of Staff James Baker ("the man who opposed Reagan's candidacy is telling people who supported it that they are too ideological").

The New Right leaders indicated three areas of potential policy disagreement: Haig's suspected inclination to comply with the terms of SALT II, Regan's expected unwillingness to slash non-defense spending, and Edwin Meese's alleged strategy of postponing indefinitely any discussion of the social issues—abortion, busing and school prayer—that the New Right and their religious allies hold dear. The New Right leaders said they were wary of being handed symbolic concessions. "We didn't do what we did in the year of our lord 1980 for symbolism," Weyrich stated.

### Not a watershed election.

The New Right leaders see Reagan poised between their own philosophy—which stresses military superiority over the Soviet Union, the dismantling of the welfare state, and official consecration of a fundamentalist morality—and another philosophy that they identify with Richard Nixon and Gerald Ford. "We had a major problem with the Nixon presidency," Phillips explained. "Conservatives went along with things they would have opposed if Hubert Humphrey were president. The danger is the same thing will happen with Ronald Reagan."

In some of their public pronouncements, Viguerie, Dolan, Weyrich and Phillips have indicated that the 1980 election was a "conservative victory." But at the Religious Roundtable symposium they were more cautious. "1932 was not a watershed election," Weyrich explained. "1934 was a watershed election. In 1932 the people knew they didn't want what they had, and they made a change. In 1934, the electorate ratified that change."

"1980 was not a watershed election. According to all the post-election surveys we've done, the people wanted change in this election. They haven't necessarily ratified what we stand for," Weyrich explained.

"We have this great opportunity in the next years to show that what we stand for works. On the other hand, the worst thing that could happen to us is that the perception of conservative government is given to the public without the reality. If the same old policies are cloaked in a conservative banner, then we will be worse off. Then after four years, people will say, 'We're tired of these conservative policies that didn't work.'"

Of course, one can view these heated pronouncements as a form of right-wing opportunism. The New Right's agitational business depends on its being in the opposition. But there also is a correct perception that, whatever Ronald Reagan's personal philosophy, the multiple pressures that will be exerted on his administration—from liberals, the old right, the corporate establishment, and so on—will make impossible the kind of rule they favor. In the current *New Right Report*, Viguerie predicts that Kemp-Roth will not pass, and Henry Kissinger will eventually return to government.

For the New Right's program to take effect, more will be necessary: a committed populace and a president willing to risk confrontation.

"To balance the budget," Phillips said, "you have to eliminate non-defense spending. To do this you have to engage in a confrontational presidency. You can't pretend you're Queen Elizabeth. You can't have Kate Graham going to your cocktail parties. Either

you have the Washington establishment with you or the people with you."

Howard Phillips was not the only Reagan supporter unhappy with the administration's early appointments. Traditional conservatives, identified with the American Conservative Union, *National Review*, and *Human Events*, were alarmed by the elevation of old Ford hands like Pendleton James into positions of authority. They shared the New Right's disquiet over the appointment of Donald Regan, Frank Carlucci, and Terrel Bell.

But they recently have been appeased. Allan Ryskind, Capitol Hill editor of *Human Events*, described himself as now being "semi-optimistic." For conservatives who are more closely identified with the Republican Party than the New Right and who regard economic and foreign policy issues as paramount, Reagan's appointment of Lyn Nofziger to his staff signalled a turning point. Nofziger had long been the conservatives' link to Reagan. They were also pleased by the appointments of hardliners Fred Charles Ikle to the number-three post in the Defense Department, James Buckley to the State Department and William Schneider to the National Security Council.

A related group of Reagan supporters were the supply-siders, who emphasize the Kemp-Roth tax cut as a means of stimulating the economy and avoiding stringent spending cuts. In the early going, they won one victory—David Stockman at OMB—but lost another—Donald Regan at Treasury. They also failed to get goldbug-supply-sider Lewis Lehrman appointed to Treasury. But then came an avalanche of Treasury appointments, which put them in a commanding policy position: consultant Norman Ture as Undersecretary for Tax Policy, Harris Bank vice-president Beryl Sprinkel as Undersecretary for Monetary Policy, former *Wall Street Journal* editor Paul Craig Roberts as Assistant Secretary for Economic Policy, and congressional economist Steve Entin as Roberts' deputy. Chicago banker Alan Reynolds, another supply-sider, also became a part-time consultant to Stockman at OMB and has already contributed a controversial memo in the battle over how deeply to cut spending.

Neo-conservative Democrats who supported Reagan were given some recognition in recent appointments. The neo-conservatives are largely groups around the Coalition for a Democratic Majority (CDM), founded in the wake of George McGovern's defeat in 1972 to promote a combination of New Deal and Cold War policies. CDM member Jeane Kirkpatrick, appointed to be Ambassador to the United Nations, has called upon CDM member Carl Gershman, also a member of Social Democrats U.S.A., to be her deputy. (Gershman and Stockman were both former SDS members in the '60s.) CDM member Elliot Abrams has been appointed to State Department, along with Henry Jackson aide William Wolfowitz.

## The revolving typewriter

Memo on the relations between press and state: Richard Burt, formerly the national security correspondent for the *New York Times*, has become the head of military and political planning in the Reagan State Department. Leslie Gelb, who prior to Burt was the *Times*' national security correspondent, headed political and military planning in the Carter State Department until he quit in 1979. Gelb has now rejoined the *New York Times*.

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A former lawyer for Citibank—which participated in syndicated loans to Iran—represented the Treasury Department in the final hostage negotiations.

# The hostages returned a profit

By Mark Hurlbert

WASHINGTON

IT WAS BILLED AS THE LARGEST single financial transaction in history: in the space of only a few hours on the morning of Jan. 20 U.S. banks transferred some \$5.5 billion to the Iranian government while the Iranians, in turn, paid back some \$3.7 billion to those same banks. The agreement that released the 52 American hostages also set in motion certain mechanisms that will lead to the exchange of several more billions in the next several months.

Yet the emotional euphoria surrounding the return of the hostages has not been conducive to close scrutiny of this agreement. Press accounts, for the most part, have created the impression that the Iranians were the greatest beneficiaries—and in some cases even advocated renouncing the agreement now that the Americans are back. It has been widely reported, for example, that the banks voluntarily conceded some of their claims against Iran and that they paid the Iranians more interest than was due. The picture is one of humane and magnanimous U.S. banks sacrificing their own interests for the safety of the hostages and the public's desire for a final resolution to the crisis.

These reports of bankers' altruism should be read with skepticism, particularly since it was the banks' self-interest-

The banks had leverage in the final negotiations because they were in a position to tie up the disputed assets indefinitely. When President Carter on Nov. 14, 1979, moved to freeze all Iranian assets in the U.S., Chase Manhattan quickly used the freeze as a pretext to declare all of its loans to Iran in default and seize its Iranian deposits to pay the loans. Other banks immediately followed suit. As a result, the U.S. negotiators had little room to maneuver. Any attempt by the U.S. government to nullify the banks' seizure of the deposits would have been answered by the banks with legal action challenging the government's right to do so—and so tied the hostages' fate to a protracted legal battle.

The banks apparently wielded that threat to make sure they got what they wanted out of the negotiations. The final stumbling block to the settlement, in fact, was a stipulation that Iran repay all of its loans to U.S. banks—including some of dubious legality—within minutes of the assets transfer. According to U.S. press reports, this appendix to the final agreement was put in at Iran's request. Iran says that the banks insisted on it—and it was clearly to the banks' advantage. While every other individual or corporation in the U.S. with a claim against Iran must now pursue that claim in a yet-to-be-set-up International Claims Tribunal, the banks already have received repayment of their syndicated loans with interest up to Jan. 20, 1981.

## Conflicts of interest.

The matter of interest on the loans—and on Iran's deposits—was a key issue in the negotiations. Most of Iran's time deposits in U.S. banks were very short term, usually maturing in 90 days or less. Since Iran was not able to have any say in re-depositing the then-frozen assets after the notes matured, there is a question of precisely how much interest the banks owe Iran. The banks claim they owe only \$670 million on the \$4.7 billion—Iran says \$800 million. The Bank of America, for one, has gone to court since the hostage agreement was signed to attach some \$91 million of Iranian assets, claiming that is how much it overpaid Iran in interest under the settlement.

But to put this dispute in perspective, consider the financial advantage enjoyed by those banks that held frozen Iranian deposits for the last 14 months. The benefit to the banks from having these deposits was so great that even if they lose in the interest controversy, the banks will still come out ahead. What has not generally been emphasized in the press is that the freeze of Iranian assets

did not prevent the banks from profitably employing that money. In fact, up until Jan. 20 the banks enjoyed free use of the deposits.

According to Morgan Guaranty Bank, the average Eurodollar commercial lending rate—the average amount the banks could have earned on these deposits in their foreign branches—for the 434-day period between Nov. 14, 1979, and Jan. 20 of this year was 15.2 percent. The \$800 million that Iran claims it is owed in interest, on the other hand, is equivalent to 14.3 percent annual interest. In other words, even if the banks end up paying the full \$800 million, they will still enjoy a profit of just under 1 percent on the \$4.7 billion for the time they held it.



The 14.3 percent interest rate that Iran is demanding is not unreasonable. Again according to Morgan Guaranty, the average rate paid on Eurodollar bank deposits for the 434-day period in question is about 14.3 percent. This is the rate that Iran would have been able to secure. But if the banks win their disputed \$130 million, Iran would receive only \$670 million—equivalent to about 12.2 percent return on the deposits. That would mean that the banks enjoy almost a 3 percent profit on this \$4.7 billion for 14 months.

But whether the banks' profit is 1 percent or 3 percent, a serious question can still be raised over why the banks should enjoy any profits at all. During the first 11 months of 1979, Iran was withdrawing many of its deposits from American banks—particularly from Chase Manhattan in retaliation for David Rockefeller's association with the former Shah. (It was Iran's threat to withdraw its deposits from American banks that prompted President Carter's freeze.) So the profits reaped by the banks during the 434-day freeze were not derived from freely deposited funds; the banks had the use of that money only as the result of U.S.

government action. It is difficult to shed any tears for the banks who now claim that they are being forced to earn only 1 percent on the deposits Iran did not want to keep there in the first place.

Moreover, many of the loans that the Shah secured in 1977 and 1978 were of dubious legality, even by Iranian law as it then stood. The banks involved thus faced the possibility that they would have to return some of the interest received on those loans, and conceivably some of the principal as well.

The law in question is Article 25 of the Iranian Constitution, which states that "no state loan at home or abroad may be raised without the knowledge and approval" of the Iranian parliament. At least three separate loans to the Iranian government—all from bank syndicates led by Chase Manhattan and totalling some \$1.3 billion—may have been illegal under this provision. According to the *Wall Street Journal*, Chase Manhattan's Iranian counsel advised the bank on the

occasion of each of these three loans that "some doubt" existed as to the "enforceability" of the loan agreements because they violated Article 25.

Chase Manhattan and other banks in the syndicates proceeded with the loans anyway. If challenged on any or all of these loans in court, it is quite possible that the banks would have been forced to return at least the interest earned on these loans. And if the banks had been required to justify these loans before an International Claims Tribunal—as other American corporations and individuals are now being asked to do under the hostage agreement—it is quite possible that the banks would have lost their claims.

The hostage agreement removed this risk by acknowledging the validity of the loans in question and repaying them on the spot. It *might* be the case—as the banks and the press would have us believe—that this part of the agreement was entirely Iran's idea. But the more likely explanation is that Iran knew that quick settlement required nothing less.

Mark Hurlbert has been researching "banks and public policy" on a grant from the National Taxpayers Legal Fund.

Regardless of how much interest they finally pay to Iran, U.S. banks came out ahead.

ed actions in November 1979 that first created the complex financial tangle finally unravelled in the Algiers talks. (See *In These Times*, July 2, 1980.) It's also worth remembering that the bankers themselves were parties—more or less on a level with the State Department officials—to the final negotiations and enjoyed virtual veto power over any proposed settlement. It simply strains credulity to be told that the banks did not secure a favorable agreement.

In fact the banks not only protected their interests on the final settlement—they turned a profit on the entire hostage incident.



## IN THE NATION

## HOUSING

## New York's Tenth Avenue freeze-out

By Wayne Barrett

NEW YORK

**T**HE URBAN REDNECK MAYOR, Ed Koch, is freezing the poor out of New York. When temperatures here hit record lows in December and January, the city's housing agencies were at a spring state of readiness. Koch had so cut back all the programs designed to help tenants cope with the cold that people began to die, one every couple of days, victims of a city whose mayoral heart is as chilly as its piercing winds.

John Grimes, 67, died in a frigid apartment while the rest of the tenants in his eight-family Brooklyn tenement were in civil court fighting to get their heat restored. Grimes had no heat for 10 weeks, ever since the boiler broke down in late October. The city allowed legal wrangling to drag on for nine weeks. After Grimes died, Judge Carmelo Tavormina named a receiver to take over the building and repair the boiler.

The medical examiner listed prolonged exposure to cold among the causes of Grimes' death. Concluded Tavormina: "I do want to express my sympathy and sorrow. If I thought for one moment it was that cold in that apartment, that someone might have been hurt to the extent of dying, this would not have continued this long."

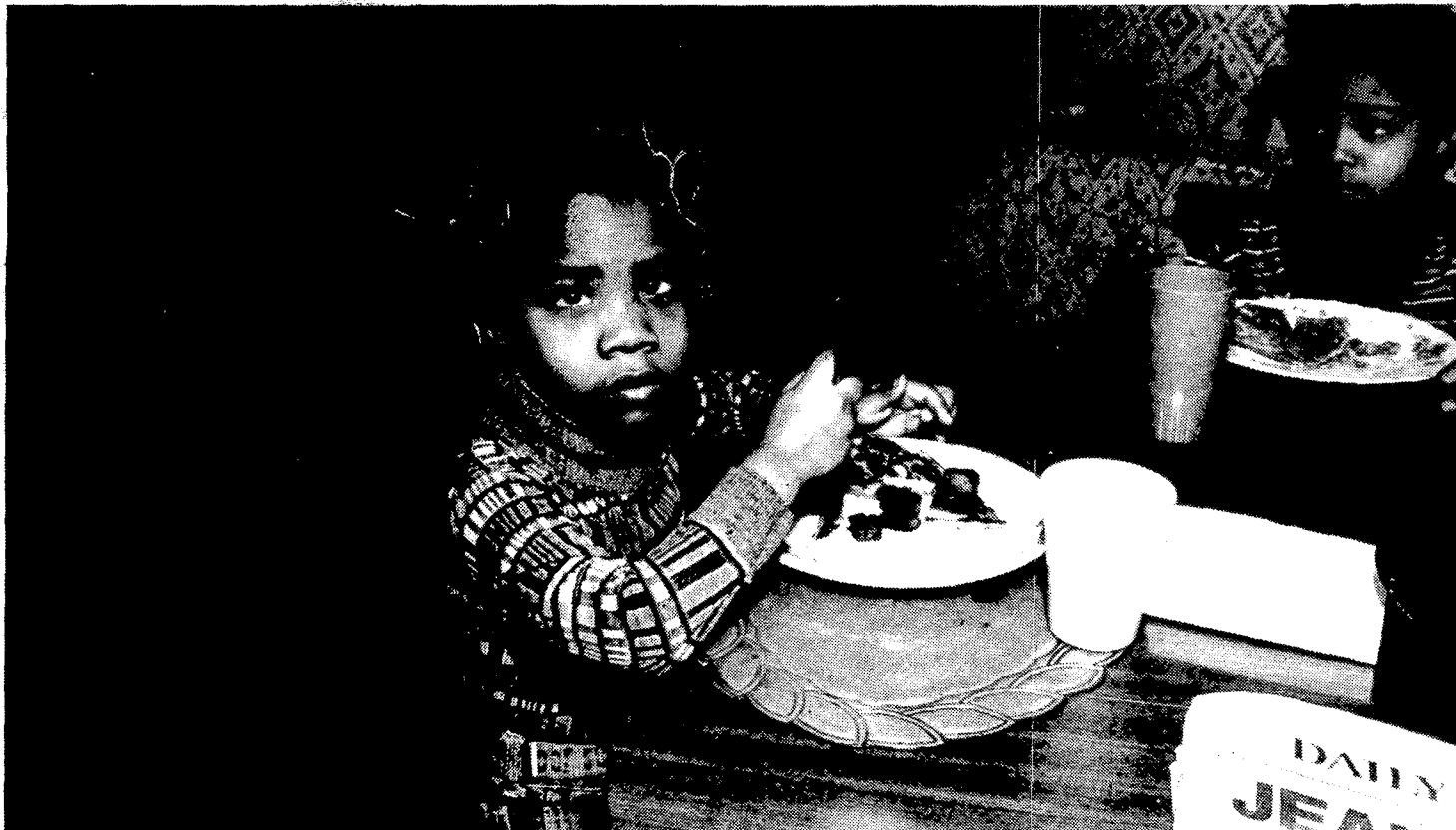
During the worst of the cold spell in early January, the city's heat complaint bureau was receiving as many as 6,000 calls a day. The backlog of calls was so deep, and the cutback staff so minimal, that the city admitted it was taking an average of seven days even to begin to take any remedial action after a complaint was verified. It also took several days to get an inspector to the building to verify the complaint. Over 400,000 complaints were received in a five-week period. When it got warmer in late January, complaints dropped to 1,000 a day. But a February freeze is expected and so is another massive, deadly crisis.

## The city has cut back emergency programs despite higher costs and colder weather.

Koch administration officials prepared for the winter by drastically reducing the funds they spent on the heat programs during last year's unusually mild winter. Examples:

- The number of employees in the city's code-compliance unit has declined from a peak of about 1,100 before the fiscal collapse of the city in 1975 to 820 as of Dec. 5, 1980—right before this year's frigid weather set in. The number of building inspectors, who must certify a heat problem before any city action can be taken, has declined from 625 to a low of 382 at the start of the winter. These cuts were so dramatic that last year's winter staff of 60 inspectors assigned to weekend duty was slashed to four. On the worst weekend of the winter so far, the media suddenly woke up to the heat story and discovered that there weren't enough inspectors on duty for each television crew to get one to follow into a heatless apartment.

As it turns cold again now, the city's capacity to cope with a renewed crisis has improved. All the media hoopla about the suffering during the January



Myoka Watson, left, has been hospitalized once this winter for pneumonia.

freeze has forced a reluctant Koch to hire 32 new inspectors and transfer another batch from desk duty to the field.

- In addition to the staff cuts, the city budgeted only \$41,000 in overtime for inspectors for the entire season, contrasting sharply with the \$105,000 budgeted and the \$99,000 spent for overtime during last year's comparatively warm winter.

Similarly, the city budgeted only \$7 million for the emergency repair program, which actually pays the tab for fuel deliveries and boiler repairs ordered by the city when private landlords fail to respond to city orders that they provide heat. The theory of the program is that the city subsequently recoups the money from the delinquent landlords in legal proceedings; but the city concedes that its recoupment rate is less than 40 percent.

Though the city spent \$15 million in actual fuel and repair payments to contractors last year—when fuel was cheaper and the weather warmer—they cut the program in half this year. The reduction in the funding of this program has nothing to do with the city's fiscal condition, since it is entirely financed with federal community development funds. The allocation of these CD funds is at the discretion of the city, which chose to budget less for ERP.

- The city has deliberately failed to take title to thousands of buildings legally abandoned by private landlords over the last two years, in direct violation of a 1976 law requiring the city to foreclose on properties one year in arrears on tax payments.

According to city estimates, there are 35,000 properties—residential, commercial, industrial and vacant—that the city could institute foreclosure proceedings against "whenever it chooses," because the owners are already in violation of the law. Instead city officials concede that they have consciously cut back on the number of properties they are taking in order to save the cost of maintaining the occupied, residential buildings.

Before properties are taken for tax delinquency, they are placed on a list and owners are notified of the pending action against them. In most boroughs, the city has stopped even preparing lists of properties in arrears.

The last list of delinquent Brooklyn buildings, for example, was prepared in January 1978, meaning that landlords could be more than three full years in ar-

rears now and still be unthreatened by city foreclosure action. That is why John Grimes could die in a building that should by law have been owned and heated by the city itself, since its owner hadn't paid taxes for two years. The city does not intend even to promulgate another Brooklyn list for months and will not take title to Grimes' building for more than another year, leaving it in the owner's hands for another winter.

In Manhattan and the Bronx, where

lists were prepared, the city deliberately decided to postpone taking title to most of the buildings until this spring and summer, precisely so that heating them this winter wouldn't become a city responsibility. The decision effectively meant that the buildings would be no one's responsibility, since they have been legally abandoned by their outgoing private owners and kept at arm's length by their incoming public owners.

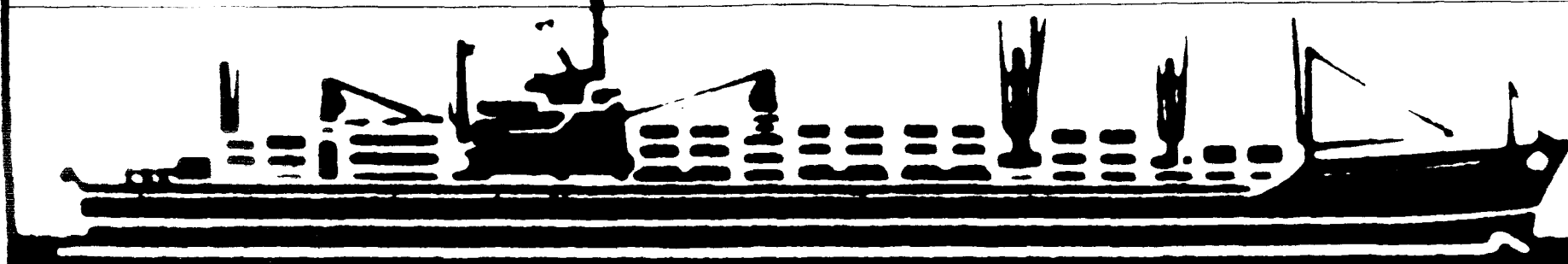
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During early January, it took the city a week even to begin acting on heating complaints from poor tenants like Debrah Gethers.



## ENERGY



# Reagan opens with a big tax increase

By David Moberg

Considering how strongly he campaigned on the need for massive tax cuts to get the economy rolling again, it is at least a bit ironic that one of Ronald Reagan's first major acts as president, a little over a week after taking office, was to issue an executive order for a tax increase of \$5 to \$8 billion.

That is part of the meaning of Reagan's decision to remove price controls remaining on one-quarter of domestic oil. For a president still committed to his famous pledge to cut taxes, increase defense spending and balance the budget, this surreptitious tax increase provides one escape route. Unfortunately, it is also likely to boost inflation a bit and exacerbate a lopsided distribution of corporate earnings that is depressing key parts of the economy.

The already bloated coffers of the major oil companies will gain an additional \$3 to \$4 billion during the eight months preceding the scheduled late September lifting of controls after paying windfall profits and income taxes. And consumers will pay 10 to 15 cents a gallon more for gasoline and fuel oil, according to critics. The administration claimed there would be a rise of at most three to five cents, but that has already been surpassed in some areas.

"Basically, it's a tax," Ed Rothschild, director of Energy Action, said, "a \$10 billion pot being split between industry, the federal government and the producing states and being taken from consumers, working people and small businesses." Several estimates put the increased revenue at close to \$13 billion—or \$100-\$200 per household. Despite its increased tax receipts, the federal government also faces nearly \$3 billion in higher oil costs and inflation-indexed programs.

Reagan, the campaigner, claimed that if the companies were relieved of price controls, oil would gush forth and carry the country forward to the nirvana of energy independence. But in announcing immediate decontrol, he made no brave claims for increased production. First, all new oil was already decontrolled. Producers have been receiving over \$30 a barrel for new oil that might have cost \$7 or, at most, \$10-a-barrel on the average to produce. In any case, the companies had been devoting much of their greatly increased drilling to punching new holes near old wells in order to price their "old" oil—that is, oil discovered long ago—at the decontrolled, "new" price. Also, a large share of their much-publicized expenditures for energy development has been devoted to purchase of other oil companies and reserves (not to mention the growing diversification into non-oil investments). There has been more than enough incentive for new exploration, even if it hasn't worked exactly as the free-market wizards predicted. Nevertheless, Rothschild says, "everyone in the industry says they're already drilling all the wells they can."

As a result, "I don't think immediate decontrol will result in any appreciable increase in drilling and production," energy analyst Joseph Lerner says. "All the incentive that's needed is out there. I

think the chances that the oil companies will put the money into additional drilling are as good as the chances that they'll put it into day care centers." Oilman C. John Miller, president of the Independent Petroleum Association of America, said flatly, Reagan's order "will not increase our energy supply by a single drop."

## The wrong kind of conservation.

Ironically, the president who campaigned scoffing at energy conservation as meaning everyone would be cold in the winter and hot in the summer resorted to defending his move as a conservation measure—after first acknowledging the all-important "symbolic" effect of showing how government was going to get off corporate backs. Immediate decontrol is supposed to save 50,000 to 100,000 barrels a day out of the 6.5 million barrels a day the U.S. now imports.

Even that minimal aim may be realized only because immediate decontrol will deepen recessionary trends and reduce standards of living, not as a result of a real change in energy efficiency.

"There might be a little conservation effect, but it won't be much," Lerner says. "The conservation effects are already in the works." Although energy use is being curtailed (oil consumption dropped by around 8 percent last year, partly due to the recession), the economy has not yet been able to react fully to already existing price shocks.

Raising energy prices at this point may exacerbate the problem, since the transfer of billions of dollars to the oil companies and to the federal government—in the absence of vigorous public conservation programs to aid the needy—means that individuals and other industries have less money to spend on conservation investments, such as modernization of factories, insulation of homes or purchase of new, fuel-efficient cars.

Many of the barriers to conservation will not be removed by raising prices. In some cases, public education is needed, but in many instances low and moderate-income individuals do not have the money to make the initial conservation investment. Citizen/Labor Energy Coalition (C/LEC) research director Don Wiener points out that home insulation sales have started to decline because "those heating oil customers who could afford to insulate have done so." A survey in Wisconsin showed 90 percent of those who needed insulation said they could not afford the investment. Likewise, many lower-income people could consider buying a more efficient car if there were special credit programs or a "bounty" for scrapping old junkers.

Furthermore, all conservation investments are also hindered by high interest rates, which partly reflect high underlying rates of inflation. Immediate decontrol will boost the annual increase in the Consumer Price Index by 0.6 points, according to the House energy and power subcommittee staff. That increase will continue to be felt as it is passed along in the months to come through higher prices for nearly everything.

## The lopsided economy.

The rapidly growing wealth of the oil companies not only undercuts conserva-

tion but also knocks the whole economy out of line. Oil company profits now make up 40 percent of the total corporate profits in manufacturing, compared to 18 percent in 1978 and 15 percent in 1972. Both *Business Week* and the *Wall Street Journal* report that other business executives and analysts are worried about the effects as the oil companies continue to accelerate their diversification into other fields, often where they have no competence. Not only is corporate control further concentrated, but also many capital-hungry industries face competition with oil for investment dollars. If Congress proceeds with its planned acceleration of depreciation schedules for businesses—to reduce their taxes—the results will compound the problem: half of the benefits will go to utilities and the oil companies, according to Robert Brandon, tax expert and Washington director of C/LEC.

If Reagan were serious about conservation, there are steps he could take to alleviate the ill effects of decontrol. But he appears headed in precisely the opposite direction. His Secretary of Transportation, Drew Lewis, has announced plans to cut back subsidies to energy-saving mass transportation. The already underfunded Solar and Conservation Bank will now be unlikely to start its work this spring and, as a consequence, will probably suffer budget cuts for the year. If Reagan's plans for stimulating the economy could be expected to work (instead of simply redistributing income away from the least well-off and from public consumption), that at least could stimulate conservation. "Paradoxically," Lerner argues, "if the economy gets on a

their ability to adjust prices at different points in the oil-well-to-gas station stream to maximize pressure on non-integrated competitors.

The elimination of allocation controls also threatens independent gas station owners, roughly 80,000 of whom went out of business in the last decade, and makes it easier for oil companies to abandon distribution in less-profitable areas, as some companies have tried to do in certain northeastern U.S. heating oil markets. State governments also lose their rights to allocate up to 5 percent of products sold within their borders during emergencies—another important defense for independent competitors.

Carter's staged decontrol was bad enough. A congressional study last year estimated that decontrol would cost consumers \$53 billion from June 1979 to October 1981—more than three times the original Carter estimate—while providing one-third less oil than originally predicted. Meanwhile, according to a C/LEC study, oil companies were earning over 30 percent return on equity in the first half of 1980, double the rate for other industries, despite a sharp recession.

Yet there is still more damage Reagan

## Big oil's growing share of total profits knocks the entire economy out of line.



good track, gasoline consumption would go down, for example, as more, smaller cars would be bought."

## Bad news for small fry.

Reagan's action also lifted rules that aided small refineries and allocated crude oil and products. As a result, the major integrated oil companies are expected to increase their control over refining and marketing. "There will be an incredibly huge shake-out of the business," Brandon says, with "tens of thousands of service stations and jobbers going out of business."

Although some of the small, inefficient refineries aren't worth preserving, substantial middle-range companies—like Ashland Oil—could be jeopardized by the majors' control of crude supplies and

may do—speed decontrol of natural gas, reduce clean air and strip-mining protection, accelerate nuclear power plant licensing, speed the generous leasing of energy on public lands (despite minimal development of land already leased), or reduce energy assistance to the poor, just to mention a few items. Little organized opposition has been mobilized to immediate decontrol, although some members of Congress are pressing for votes that will at least put legislators on record concerning Reagan's moves. But there is the possibility that even Reagan's advisors have noted: as energy prices climb and the grip of Exxon and Mobil tightens on the economy, voters may take out their anger on Republican Reagan, even if it was Democrat Carter who had already pointed the nation down this path. ■



# Freeze

Continued from page 4

The landlords in these hundreds of buildings, with thousands of mostly poor tenants, have already been formally notified that the city is seizing their properties. The notification strips the owners of any economic reason to pay the winter heat bills and leaves their tenants to fend for themselves, wedged in an icy legal limbo between the public and private markets.

• Though the city has offered amens to a number of crisis suggestions from Manhattan city councilmember Ruth Messinger, it has not moved to implement them. Messinger suggested that the city use measures available to tenants that permit them to pool their rent money and buy oil, deducting the cost of the oil from their rent payments. She says the city should use the \$500 million in rents that the city now spends for tenants on public assistance as a weapon to compel landlords to provide heat. If landlords fail, the public assistance rent money provided for that building should

be systematically pooled to buy heat, on a building-by-building basis.

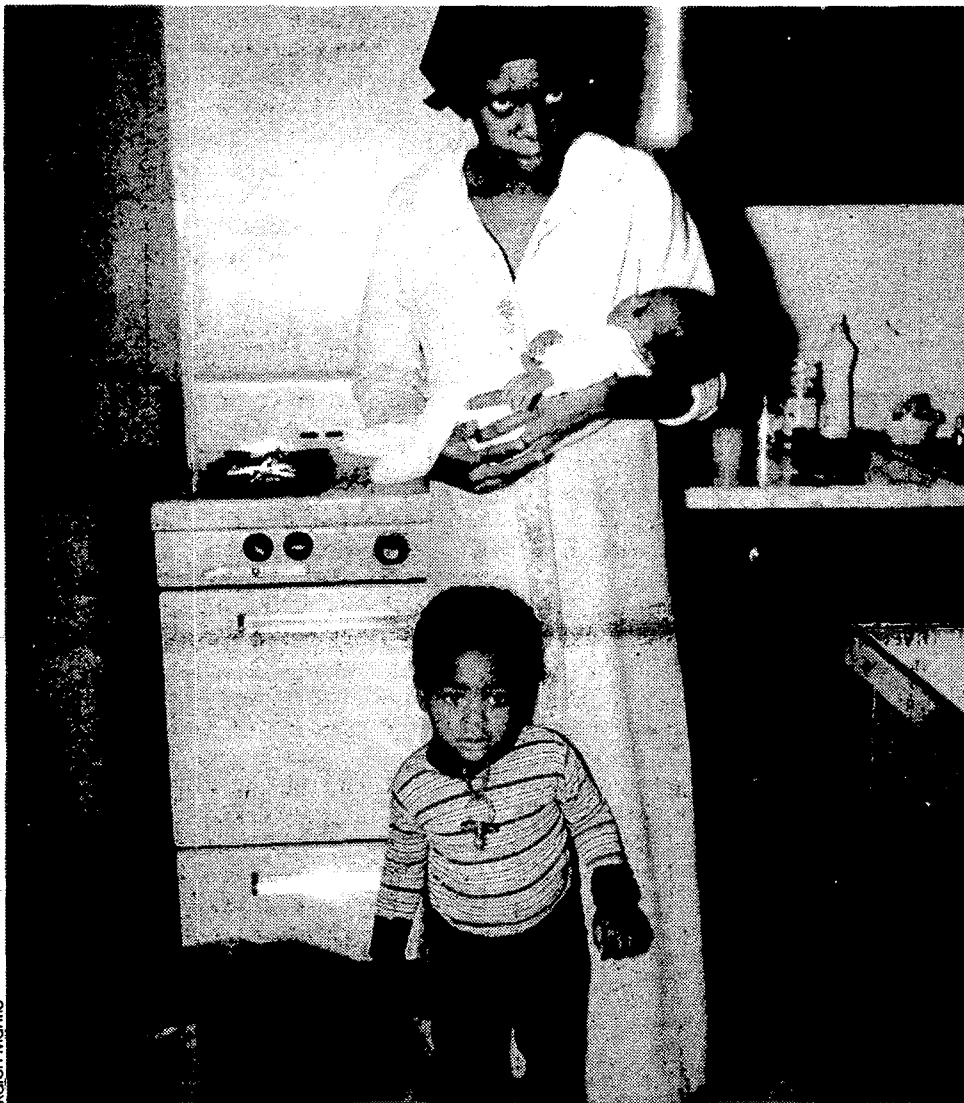
While city officials have been unable to develop any reason why they could not enact such a program, they have ignored it—and several other methods of using public assistance rents as an incentive to provoke heat.

The cold has become the painful cutting edge of the city's planned shrinkage policies. Holding the state's welfare grant at its 1974 levels in the face of devastating inflation hasn't driven enough poor people away, because it still compares favorably with most grants levels in other parts of the country. Crippling the city's services to the poorest neighborhoods and slashing public employment haven't worked either. Too many of the poor stay on, nourished by hopes, memories and fears of the alternatives.

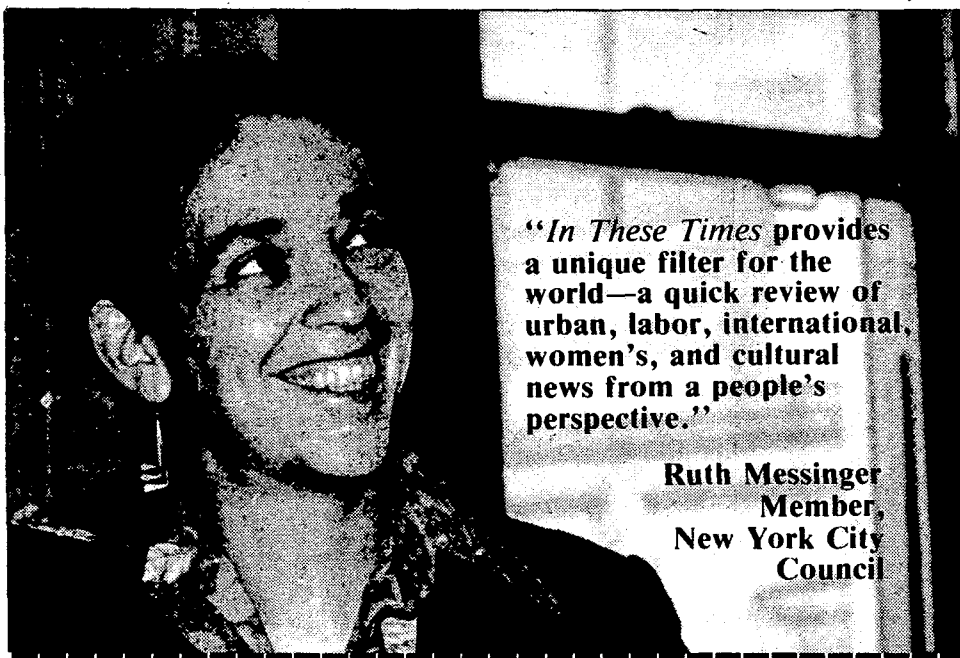
But the city's hunch is that heatless winters can be the factor that chills a nomadic poor population into giving up on the city and heading for the Sunbelt. The cold is now a weapon in the city effort to compel the outmigration of the minority poor, whose departure is quietly viewed as the necessary precondition to reshaping the city's economic base. ■

Wayne Barrett writes a regular column on New York City for the Village Voice.

The Gethers family has only the stove for heat.



Karen Mantlo



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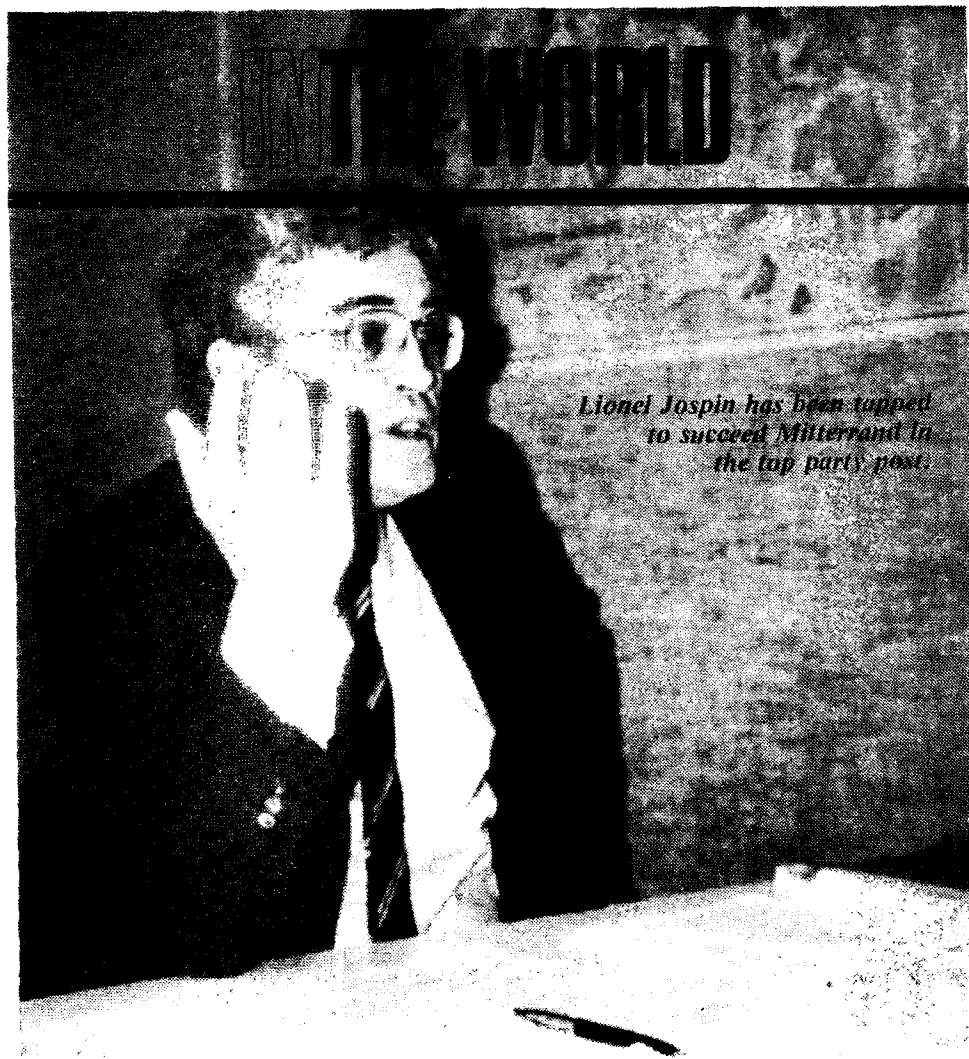
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Lionel Jospin has been tapped to succeed Mitterrand in the top party post.

American spheres of influence.

### Loyal and earnest.

Lionel Jospin owes his rapid rise to the top of the French Socialist Party to his loyalty to Francois Mitterrand. But Jospin is not a mediocre yes-man. Nor does he seem inhabited by gnawing personal ambition. A graduate of the elite national school of administration (ENA), Jospin abandoned a promising diplomatic career in 1970 to devote himself to university teaching. He was recruited into the leadership of the Socialist Party after it was recast in Mitterrand's image in 1971. Despite his growing responsibilities within the PS—including relations with the Socialist International—Jospin has preferred to retain his teaching post rather than get elected to parliament from some safe district.

Jospin is less brilliantly clever than some other PS stars, but more clear and earnest, with an air of solid intelligence and straightforward decency. As a newcomer to politics, he has been able to avoid getting bogged down in historical sectarian quarrels. His sense of what is the point and his ability to stick to it make him perhaps the Party's most convincing debater.

In an interview with *In These Times* Jospin stressed Socialist International support to Central American revolutionaries and said that threats to Persian Gulf oil security should be countered by diplomacy and energy diversification rather than by military force.

Asked whether—some U.S. strategists argue—U.S. military control of the Persian Gulf would guarantee Europe's oil supplies, Jospin said that was all very hypothetical, and one could just as well suppose that such a military move would set fire to the powder keg. "Personally, I don't see military interventions and expeditions as the way to secure France's oil supplies. First of all, we think the fundamental thing we must do is decrease our dependence on oil. Partly by nuclear power, but not solely—and not at the rate planned by the present government that risks substituting dependence on nuclear power for dependence on oil. We want diversification through use of old sources like coal and a much more systematic development of new energy systems.

"Secondly, we think diversification of oil supply sources is necessary, and that we should perhaps be able to reorient our import policy." Jospin said he was thinking especially of Central and Latin America, but eventually perhaps also Algeria and Africa.

As for the Persian Gulf, Jospin said he thought using French influence on Iraq, a major trade partner, to find a peaceful solution to the Iraqi-Iranian conflict would be a more effective way to protect oil sources than setting up military bases or sending warships. "We think there may also be a certain tone to adopt toward the Soviet Union to discourage it from adventures that could only be extremely dangerous. Above all, we think the best way to seek security for our oil supplies is in a sort of economic cooperation with oil-producing countries aimed at peace rather than at arms sales and intimidation."

The French Socialist Party "is not an ecological party," Jospin pointed out that there is no major nationwide movement to reject nuclear power in France comparable to anti-nuclear movements in Scandinavia, West Germany or Austria. But in some cases there may be strong local reactions against construction of a nuclear power plant, and the Socialist Party is against imposing an installation on a local population that doesn't want it.

The Socialist Party also acknowledges that some problems of security and technology have not been satisfactorily solved, and therefore calls for temporary halt to the breeder reactor program and a slower pace in building new nuclear power plants. Otherwise, said Jospin, the PS agrees with the French Communist Party that nuclear power is necessary to keep the economic machinery running, avoid massive unemployment and safeguard national independence.

### A warning on Central America.

The subject Jospin most wanted to discuss was the recent Socialist International Congress in Madrid, which set up a com-

mittee of top European Socialists—Willy Brandt, Olof Palme, Felipe Gonzalez, Mitterrand, etc.—to defend the Nicaraguan Revolution. The purpose of the committee is "to keep the Nicaraguan revolution from being isolated, to keep it from being subjected to outside pressure either from neighboring countries or from the U.S., and also to provide economic and social aid insofar as possible."

"One of the most important points we dwelled on at the Madrid congress was Latin America, and especially Central America, because that is where it seemed to us that the newly-elected Reagan administration might act first to backslide from certain tentative moves by the Carter administration and threaten a certain number of developments we consider positive. The decision to set up that committee can really be considered an attempt by the Socialist International to voice a warning, an appeal to the new U.S. administration—to say, watch out what policy you adopt in Latin America."

What do French socialists think of the American left? Jospin said they considered the recent Washington colloquium on democratic socialism, organized by their old friend Michael Harrington, "extremely positive and interesting" because it enabled them to aid U.S. socialists and gave European leaders like Willy Brandt a chance to express socialist ideas "on a continent where the word 'socialism' still produces a sort of electric shock."

The event also pointed out some familiar characteristics, "namely, the difficulties for American public opinion to understand what democratic socialism really is," and the fact that "socialism in the United States is still an extraordinarily minority phenomenon."

Was it just fear of the word "socialism" that kept Democrats and labor leaders from attending the colloquium? Jospin believes "there are very profound differences between the Democratic Party and the European socialist parties. The first and most fundamental difference is the idea that the working class might want to create its own party or parties. This has happened in all other developed capitalist countries—not only in Europe but in Australia, in New Zealand, Japan—but not in the U.S., which has the largest working class, which can be very combative, but has the least autonomous political consciousness.

"Then, starting with the place in society of the working class, there are a certain number of ideas such as nationalizations, an important public sector of the economy, a certain view of political power, a certain way of wanting to reduce social inequalities, a whole range of themes that seem to separate us.

"And then there is the party organization, which is also very important. Most European socialist parties are not just electoral committees or machines but structured parties of militants organized in local units up to a central committee, with an organizational life that simply doesn't exist in American parties. Also, there is the very special relationship with labor unions—which may be direct, as in the countries with strong Social Democratic parties, or indirect and dialectic, as in France, which has a different tradition—which does not exist in the U.S."

Jospin added that the Washington colloquium had been particularly important because it was the occasion for European and Nicaraguan leaders to hold the first meeting of the committee to defend the Nicaraguan revolution. "The fact that European Socialists met with Sandinista movement leaders and officials of the new Nicaraguan government in Washington practically on the eve of President Reagan's inauguration seems to me a highly symbolic act showing the evolution of the Socialist International."



## FRANCE

# Socialists have a good chance in '81

By Diana Johnstone

PARIS

**F**RENCH SOCIALIST PARTY leader Francois Mitterrand has chosen his party's presidential candidate—himself—and his successor as party first secretary—Lionel Jospin.

These choices were ratified at a special PS Congress Jan. 25. The loser on both counts was Michel Rocard, deprived not only of a chance to try for the seven-year presidential term, but also of the consolation role of heir apparent.

Rocard's supporters are now promoting him to be Mitterrand's prime minister if the Socialist candidate defeats President Valéry Giscard d'Estaing in the second round runoff next May 10.

This outcome now seems quite possible, which may be one reason Mitterrand decided to take the nomination himself instead of leaving it to Rocard, as he had seemed ready to do last summer. Another reason could be Rocard's surprisingly weak television performance to announce his candidacy last fall. Perhaps worn out from overwork on his image, Rocard looked more haggard than "presidentially mature."

The Socialist Party is first choice of only about one-fourth of French voters. To win the decisive second round, a Socialist candidate for president must pick up the vast majority of first-round Communist votes plus a fringe of voters whose right-wing choice loses on the first round.

Communist Party leaders seem out to sabotage this strategy. Had the PS nominated Rocard, they would have trumpeted this as final proof of Communist candidate George Marchais' charge that the PS has "turned right." And Rocard's appeal to second-round right-wing voters might not have offset his losses among Communist voters. This, at least, appears to have been the reasoning of PS strategists.

In recent polls, Mitterrand has made rapid gains and is now neck-and-neck with Giscard. But his current bright prospects owe much to an ambiguity he will have a hard time maintaining throughout the campaign.

In fact, it is the Communist Party leaders' crude, exaggerated attacks on Mitterrand that have set him up to win.

On the one hand, they have convinced many Gaullists who don't like Giscard that they can safely vote for Mitterrand on the second round without the risk of bringing Communists into government on his coattails. Thus the Socialists now hope for a good chunk of Gaullist votes.

On the other hand, by-elections have shown that Communist sectarianism has totally failed to inhibit Communist voters from electing Socialists on the second round. The grassroots desire for left unity has favored the Socialists against the Communists, who are currently considered most to blame for the split between the two parties. Mitterrand, historically associated with left unity, currently stands to pick up almost all left votes on the second round.

Realizing his mistake, Marchais has suddenly switched tactics. From lambasting the Socialist candidate, he has turned to demanding to know how many cabinet posts Mitterrand would give to Com-

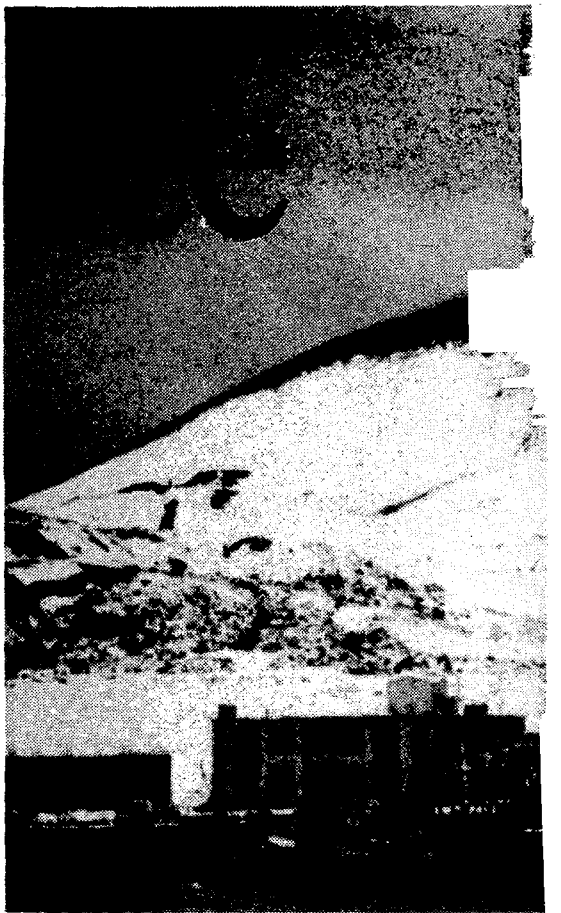
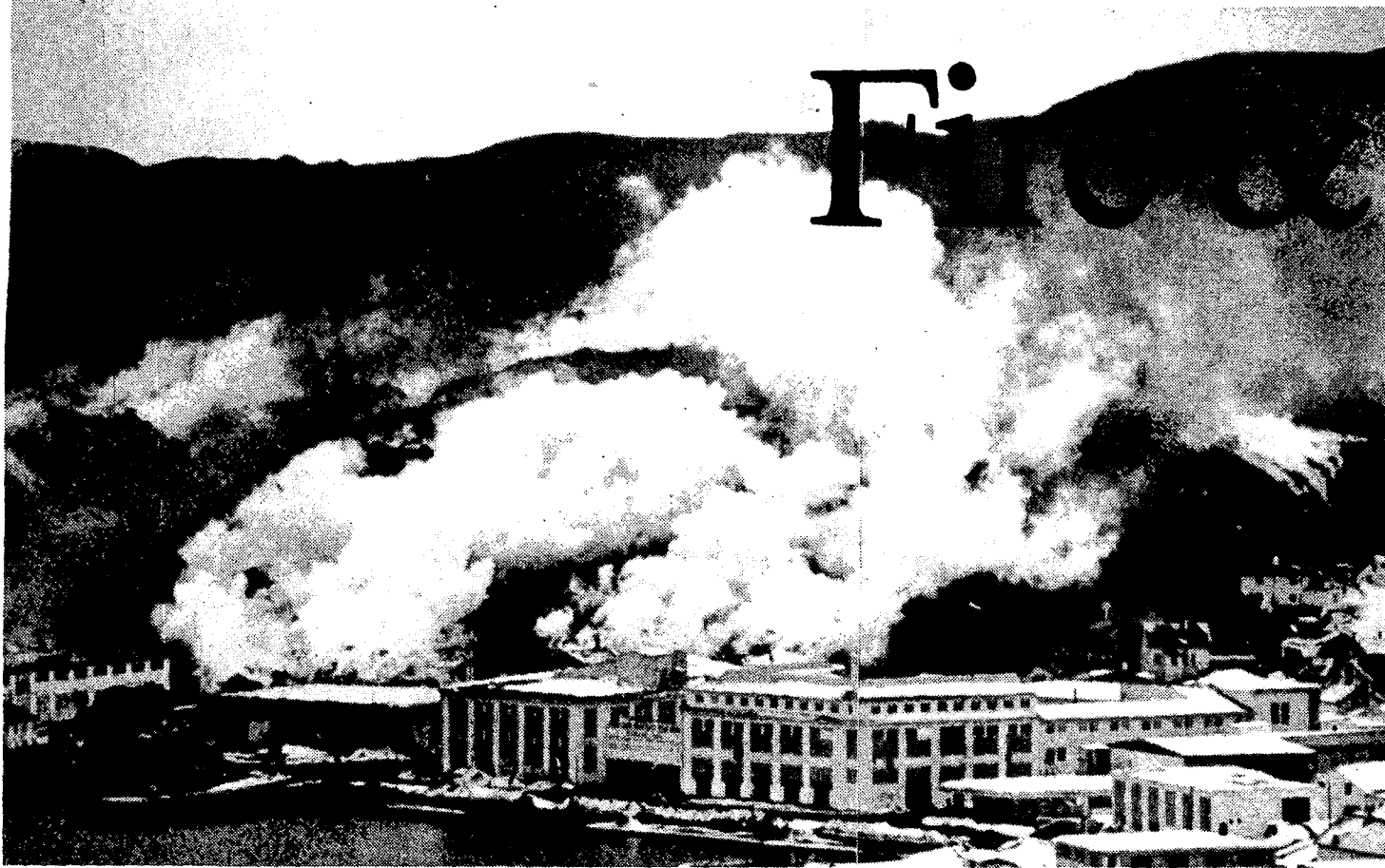
## Central America has become a key foreign policy issue for the European parties.

munists. This approach may arouse distrust of Mitterrand among both Communist and Gaullist voters.

In accepting the nomination, Mitterrand stressed the need to "save democracy" from the "disguised monarchy" of Giscard d'Estaing. The party adopted a "manifesto" calling for reduction of the presidential term to five years.

In foreign affairs, the manifesto called for ridding Europe of both Soviet SS-20 and American Pershing missiles, reform of the International Monetary Fund, strengthening special ties with non-aligned countries of the Mediterranean and Africa, protectionism against Japanese competition and European unity. In particular, it called for "increased European presence on the world scene" to counter "the danger of a Yalta on a planetary scale," that is, the tacit division of the world between Soviet and





## A Place Where Most Things Turn Out As Planned

REYKJAVIK, ICELAND

**L**YING MIDWAY BETWEEN EUROPE and North America, Iceland is a unique land of freezing and fiery contrasts. This ragged island of boiling water, active volcanoes, craters and earthquakes is largely ignored by the U.S. media, despite the fact that it recently elected a woman president—the world's first chosen in national elections.

Moreover, this island-nation of 39,702 square miles and 230,000 people is among the world's richest, far richer per capita than the U.S. Iceland boasts the highest literacy in the world (315 books published last year for 100,000 readers, six daily newspapers for Reykjavik's 85,000 residents), the longest life span and the lowest crime rate (one murder a year average).

Although Iceland has the highest inflation in Europe—floating at 60 percent now—it has virtually no unemployment and its wealth is widespread: homes for everyone (80 percent own theirs), telephone and road service to every farmhouse, a car for every third person, a far-reaching airline service to the most remote sites, ferries, buses, a national theater, orchestra and film company, and full medical care.

"No one is left alone to die: that's what I like about Iceland," says the new president.

Vigdís Finnbogadóttir is Iceland's fourth president since its 1944 independence from Denmark, which ruled the island for 600 years. Though Iceland brags of initiating the world's first democratic legislative body, the Althing, over 1,000 years ago, today its legislative process is eclectic. As Finnbogadóttir said, "We import foreign culture, we translate it into Icelandic, and we let it inspire us."

Thus the 1944 constitution of the Republic of Iceland calls for a president elected by the voting public, as in the U.S. Yet the president's duties and ability to speak out on foreign and domestic policies are restricted much like those of the royal families in the Nordic countries. (Iceland is a member of the Nordic Council and the European Free Trade Association as well as NATO, but is not in the Common Market.)

The president is expected to symbolize the entire nation and to represent unity and continuity. She is not expected to be a controversial or political figure. Finnbogadóttir fits that image, although she is unique and provoking simply because she is a woman—the first to campaign for Iceland's presidency.

During the campaign last summer much was made of her sex, accompanied with the inevitable comments about "good looks." But Finnbogadóttir's education and cultural background—educated in Paris, Iceland, Denmark and Sweden, she has taught French and

drama, conducted a popular television program, and for eight years directed the national theater until her election—well prepared her for the fight.

She ran on a platform of equal rights and barely won the election with 33.6 percent of the 130,000 who voted. Many who otherwise would have voted for her did not because she also spoke out for a pacifist approach to life, which some in politics and the media interpreted as "leftism," frightening off voters. But Finnbogadóttir has never been a member of any of Iceland's four political parties, nor does she have a specific political ideology.

"A woman's face was wanted. It was the right thing to have a woman president," she said about her election. "I think it was the result of the 'woman's day' strike we had Oct. 24, 1975. It was a most marvelous day. No lady did a thing the whole day. Thousands and thousands demonstrated in the main square of Reykjavik. I was striking like everyone else, as were all my actresses, so the theater was closed."

Even though Iceland was among the first nations to grant women many equal rights, today only three of 60 members of parliament are female because, as Finnbogadóttir explained, "women satisfy themselves with less education and lesser jobs than men."

Finnbogadóttir is a straight-talking, charismatic leader who describes herself as a "premeditated pacifist." "I have decided to be a pacifist. It sounds rather



President VIGDIS FINNBOGADOTTIR.

naive to say you're a pacifist if you don't explain. I don't know of any person who wants war.

"Whenever I speak as head of state, I speak about peace. I will say it as often and as long as necessary. We need money to build up, to safeguard life. Think what could be done if the money that went into militarism went into, say, cultivating the Sahara. I don't know if it's possible, but everything seems possible today with science," she speculated.

The president speaks glowingly of her fellow Icelanders. "We are so stubborn, the only people that have detoured a lava stream to save a village and then use this lava to heat our homes. Nobody believed we could save the Vestmann Islands, but we refused to believe them and poured water on the lava for days until the lava gradually yielded. That was the day we realized we had conquered the country," the president exclaimed.

Finnbogadóttir is also proud that her nation does not have a military force, only a small group of unarmed coast guard who protect the 200-mile Atlantic Ocean fishing boundary and rescue sailors. The tiny police force does not carry weapons, and there is only one prison, with a capacity of 53 prisoners.

The president, like Icelanders everywhere, emphasizes her native tongue, the original Scandinavian language unchanged over 1,000 years. As director of the national theater, she brought avant garde plays from France and encouraged Icelandic playwrights. Finnbogadóttir believes the role of culture is "vital for the independence of any nation. I believe a society has to be ruined from the inside before it can be from the outside."

In Iceland, every other fisher and farmer paints, draws or fashions poems. One of them, Halldor Laxness, won the Nobel Prize for literature in 1955 (*Independent People, The Atom Station, Salta Valka*). Laxness became a communist after a stay in California in the 1920s. Nevertheless, Icelanders everywhere identify with him regardless of their political views. (Eleven of the 60 MPs are Marxists of various stripes organized in the People's Alliance Party, another 10 are Labor Party representatives, and the remainder are, to varying degrees, supporters of private appropriation, from small farms to single-owner small factories.)

Finnbogadóttir, an excellent linguist, thinks culture in the U.S. is "too commercialized. It is a danger to commercialize so much because it becomes culture no longer. It is logical that the state should support culture because it takes a tremendous amount of time to create, and culture can't be indifferent to the state. I am willing to hand over to the state quite a lot of my salary in taxes to safeguard culture."

In a dialogue she encouraged, we exchanged views on the plastic knick-knacks seen in almost every home and

sold on every street in this smokeless, smogless, sprawling city that spreads itself much like Los Angeles.

"Reykjavik is totally heated from your earth's boiling water," I observed, "yet so many of your people drive huge, American, oil-consuming automobiles. I see much pride in Iceland, yet I also see many American products and, I must say, some of the junk that the U.S. produces."



Nobel Prize-winning Icelandic author HALLDOR LAXNESS.

## A Village That Re

VESTMANN ISLANDS, ICELAND

**F**ROM FIRE TO WATER, ASHES TO grass, Iceland leads the world in utilizing renewable energy sources. There is no other land like it. Some 200 volcanoes erupt persistently and sometimes erupt violently, producing one-third of the world's lava. One-eighth of the country is covered with metropolis-sized glaciers that, along with rugged treeless mountains, create rapid rivers and startling waterfalls.

Geologically, Iceland is the youngest nation in the world (the oldest rocks formed only 16 million years ago). For that reason it has no fossil fuels, yet its growing pains unleash hot springs that heat the entire capital city without a trace of pollution.

Geothermal energy is cheap, renewable and clean. Since 1930 Reykjavik—which houses nearly half Iceland's 230,000 people—has converted lava heat into steam and hot water both to run turbines and to heat space.

The first of the present 50 boreholes was drilled at a hot spring long used for washing clothes. By drilling as deep as 2,000 feet to reach rocks heated by volcanic activity and then pouring fresh water into the holes, steam is created. Metal heat transformers convert the captured steam into boiling water, which is piped in a continuous flow to a pumping station. From there it is directed through a central heating network of buried pipes to every home, building, swimming pool, schoolhouse, and many factories in and around the capital. (About 70 percent of all Icelanders enjoy such heating.) The costs to Reykjavik are one-fifth what it had previously cost to burn fuel.

The hottest thermal areas produce



Story and Photos by Ron Ridenour

Peaceful people and turbulent elements share one small island

"You see that all over the world," the president countered.

"Yes, but one sees so much here, though you produce such high-quality products and rational social systems, yet you import the antithesis of that."

"You know, nobody is entirely satisfied with what they have before their eyes all the time, with what they make. I agree with you in many ways," the president said, "but I like freedom. If something is the fashion for a while, so be it."

Iceland is replete with such incongruities: a frontier-flavored capital city intermingling beautiful old Scandinavian architecture with drab, rectangular, modern buildings. Nearby lies landscape so austere and pockmarked that the U.S. trained its astronauts here.

Like many small, naturally rich, equatorial nations, Iceland is a one-crop economy—fish comprises 75 to 80 percent of

all exports. But the contrasts with the countries of Central America, for example, are numerous. There, the one-crop economy has been imposed by a small elite bent on sheer power. There, nothing works, life is an hourly contest, illiteracy and ignorance are required, the rich are omnipotent, the population is poor.

Here, everything works rationally, life is long and full, safety and health are universally required, everyone reads, many write or paint, 90 percent vote, no one is a millionaire and no one is hungry.

Why is it everything seems possible in crystalline Iceland, and so difficult elsewhere? Vigdis Finnbogadottir—president, prison-reform activist, parent, pacifist—sits in her cozy office in a white frame, one-story former prison designed like a school house and ponders. "I can't answer that question."

second, for months. It eventually buried 400 homes as black soot, 328 feet at its deepest, engulfed the entire 15-square-mile island.

The Vestmann Island fishers are the richest in Iceland due to the nearby feeding grounds for cod, haddock and her-

Far left: VESTMANN ISLAND in 1973. Steam rises from the water pumped onto the encroaching lava.  
Near left: VESTMANN ISLAND 1980. The HEIMALY volcano is dormant for now.

America and Europe.

"It is possible. We have enough energy for others. But it may not be economically feasible to do, yet," Palmason said.

But anything Icelanders imagine concerning energy seems possible. Early one 1973 winter morning, in an oil-fueled fishing village to the south of Reykjavik, the Vestmann Island volcano erupted, rapidly opening a burning fissure one and a quarter miles wide from shore to shore. Within six hours, all 5,200 residents were evacuated.

Spectacular lava fountains spurted over the land, eventually forming a cinder-spatter cone 109 yards tall. The output of lava and ash was enormous—

131 cubic yards per second, for months. It eventually buried 400 homes as black soot, 328 feet at its deepest, engulfed the entire 15-square-mile island.

The Vestmann Island fishers are the richest in Iceland due to the nearby feeding grounds for cod, haddock and her-

## And The U.S. Rules The Skies

REYKJAVIK, ICELAND

PEACEFUL PEOPLE, ICELANDERS have never had their own military. But others have come with weapons—Norwegians, Danes, Germans. The first American military personnel arrived here in 1941, following the British in 1940, to protect Iceland from a probable Nazi invasion. But the continued presence of the U.S. military after the war—later formalized in a bilateral treaty that gives the United States military control of Keflavik airfield—has been a polarizing issue, as has Iceland's decision to enter NATO.

In a recent poll 53.8 percent of Icelanders favored continued stationing of U.S. troops while 30.8 percent opposed it. Much of the opposition hinges on the possibility that nuclear weapons are or may be harbored at the 23,350-acre base-airport just 30 miles from the capital city.

Icelandic law prohibits nuclear weapons on its soil, and the 1951 defense agreement with the U.S. requires joint consent on all weapons and surveillance equipment (the main purpose of the base).

Though Iceland's foreign minister, Olafur Johannesson of the Farmers' Progressive Party, offered strong assurances that no nuclear warheads are present, doubts persist. Olafur Ragnar Grimsson, a parliamentary member of the left People's Alliance Party, which is also a member of the governing three-party coalition, alleges that such weapons may be here. (A military handbook on what to do in case of nuclear war was found on the base.) But interviews with U.S. authorities at Keflavik proved inconclusive since it is U.S. policy not to "reveal where your goodies are," according to base spokesman Mik Magnusson. In the end, he told *In These Times*, "it's a question of whom to believe."

Iceland's foreign ministry has just two diplomats in its civilian "de-

ring, and most wanted to stay. Against all odds, they fought the fierce lava that was rapidly overtaking the whole village by pumping ocean water onto the rising mountain of 1,185-1,975°F lava. Large-capacity pumps and a pump ship poured on water to cool and harden the fiery mass. After months of the most ambitious effort ever attempted to control volcanic activity, they won.

And not just won, but turned the situation to advantage. The island had the foresight to turn the glowing lava rocks into hot water for heating the homes left standing and the new ones built. In a process similar to the one used in Reykjavik, 100-foot holes were dug and fresh water from the mainland poured over the rocks to make steam. A pump station in the center of town cools and circulates the water to 90 percent of the homes.

The one problem with the world's only lava-heat source is longevity. Pump station engineer Mar Karlson told *In These Times*, "We've been operating five years now, but we've only got another 10-12 years before there won't be sufficient heat left in the basalt rocks."

What will become of the \$10 million investment in equipment and the central heating system (a huge sum compared with the nation's \$1.8 billion GNP)?

"Well," Karlson said, smiling, "we've got the network now for any other energy source. We won't go back to oil. Maybe we'll dig deeper and find sedimentary rock heat."

fense authority" who coordinate relations with Keflavik. One of them, Helgi Agustsson, concurred with Magnusson. "In the end it's a question of faith." Although Iceland has the right to inspect the base, "We don't do it. It wouldn't be foolproof." But, he added, "we do have 1,000 Icelandic workers at the base. They would know if nukes were brought in."

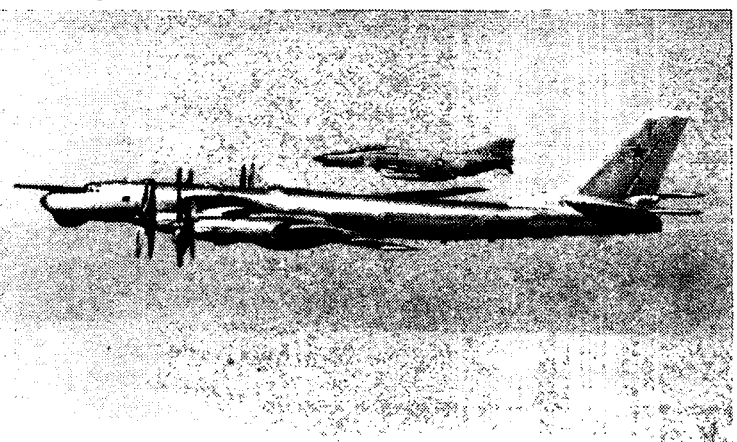
He conceded that Iceland felt no threat from the USSR—a major trade partner—and that many people "think to wish for peace is to have it. Many believe nothing would change if the U.S. would leave."

Unlike its arrangement with many other countries, the U.S. pays nothing for renting the base it built at Keflavik—Iceland's only contribution to NATO—and must depart if the government asks it to. Since coalitions form and dissolve rather quickly here, it's possible that a new administration would ask the U.S. to leave.

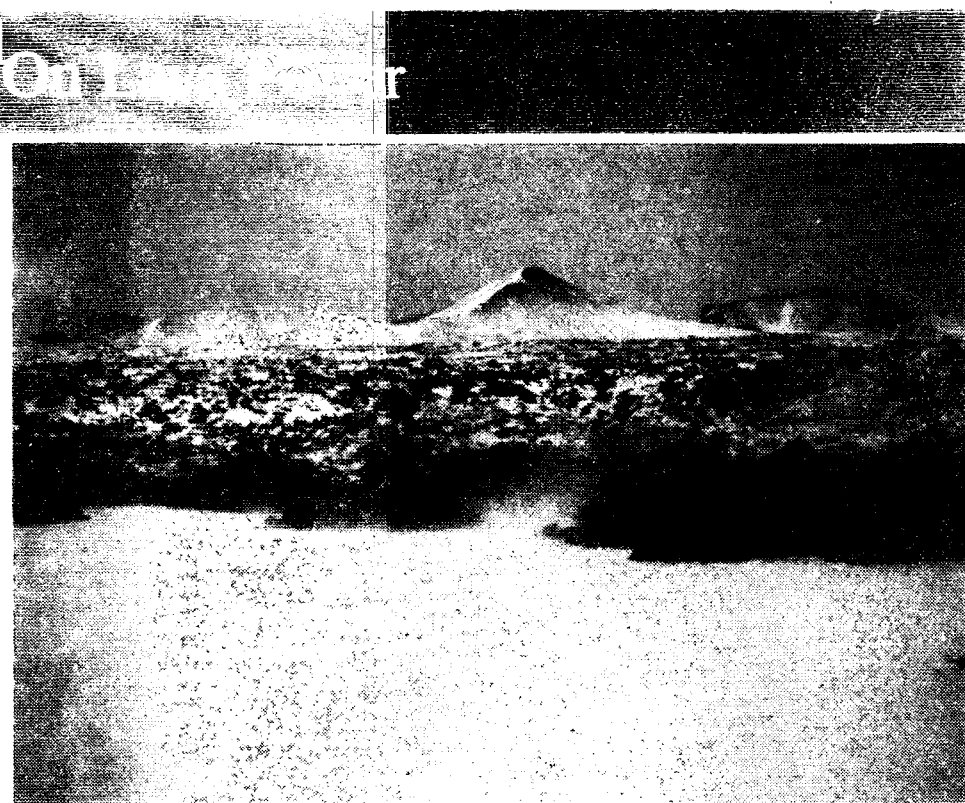
A 1974 defense agreement amendment cut the number of U.S. military personnel here to 3,000 (plus dependents) from a one-time high of 75,000. All personnel must now live on base, and there is an 11:30 p.m. base curfew.

The U.S. spends \$80 million annually to maintain its sophisticated surveillance operation in Iceland, and recently reconnaissance flights have picked up. "These are not normal times," Magnusson said. "We are monitoring developments in Poland. It's an opportunity to exercise surveillance now."

Ron Ridenour, an American writer living in Denmark, traveled to Iceland for *In These Times*.



Twelve F-4E Phantom intercept aircraft operate out of the U.S. airbase at KEFLAVIK.



The terrain near KEFLAVIK is so rugged the U.S. trained astronauts there.

compounds so salty or sulphuric they must be purified. In one such operation, at Grindavik, south of Reykjavik, a geothermal plant converts the salty water back into steam and uses this waste to run the turbine engine, which then reliquesfies fresh boiling water. Seven towns, numbering 12,000 people, own the plant in partnership with the state. The energy it produces is pumped through 100 miles of pipeline that will soon connect with the entire Keflavik airport and NATO base, saving millions of dollars in fuel costs.

In Iceland the state and municipalities own all utility companies, as well as all public services. The director of geothermal activity, Gudmundur Palmason, explained energy planning:

"Nearly half our energy comes from

fresh water and lava rock converted to steam and hot water. We foresee another 10 percent of current fuel energy being replaced by geothermal and hydroelectric energy. We'll have to continue to use oil (mostly from the USSR) for transportation, the fishing fleet, and some industrial purposes. We're working on electric power to produce hydrogen that could be a substitute for engine fuel, but that's far off."

It is estimated that only 7 percent of Iceland's geothermal potential has been developed so far. In the future it may be able to export this clean energy. Palmason is hesitant to predict how much, how soon, but it is technologically possible to harness electricity and transport it through satellites or even to transport hot water by insulated tankers to North



# LETTERS

*IN THESE TIMES* is an independent newspaper committed to democratic pluralism and to helping build a popular movement for socialism in the United States. Our pages are open to a wide range of views on the left, both socialist and non-socialist. Except for editorial statements appearing on the editorial page, opinions expressed in columns and in feature or news stories are those of the author and are not necessarily those of the editors. We welcome comments and opinion pieces from our readers.

## EL SALVADOR

I CAN UNDERSTAND YOUR READERS' frustration with the paucity of information available on the situation in El Salvador. The following excerpts from *Report on El Salvador*, newsletter of the Religious Task Force on El Salvador, 1747 Connecticut Ave., NW, Washington, DC 20009, may shed some light on the dilemma:

"A group of 24 reporters recently congregated in a San Salvador hotel to draft a protest letter to El Salvador's government. According to the Pacific News Service of California, their grievances included accounts of harassments by the military government in its attempts to suppress all unfavorable war coverage. They also demanded a complete report regarding [the disappearance of a journalist from the U.S., and the murder of a Mexican and two local journalists].

"The letter also protested death threats visited upon journalists as they arrive in the country....

"Provocation of the press includes ransacking of hotel rooms, destroying camera equipment, being followed and phone tapping. According to an ABC contract-cameraman, the oligarchy of El Salvador has devised a sophisticated clipping service in Miami that reviews all the U.S. reports on El Salvador, thus those reporters writing unfavorable reports about the country can be earmarked. Consequently, fair and intense coverage of the war remains difficult due to this repression of the reporters."

People who want more complete information may contact the Religious Task Force, address above, or U.S. Friends of the Salvadorean Revolution, P.O. Box 40874, San Francisco, CA 94140.

If you do not wish El Salvador to become the next Vietnam (perhaps using Guatemalan and Honduran troops as U.S. surrogates), please write to the Secretary of State, the President, and your

congressional representatives. Also write to Lane Kirkland urging the AFL-CIO to support the decision of the West Coast longshore workers (ILWU) not to load military cargo to El Salvador. AFL-CIO, 815 16th St., NW, Washington, DC.

-Ann Tattersall  
Eugene, Ore.

## PHILIPPINE SITUATION

TOGETHER WITH 49 MILLION FILIPINOS, we have long awaited the news—and it was no surprise: Last Jan. 17, President Marcos was reported to have "lifted" the form or facade of martial law. But all evidences show that the substance or essence of Marcos' rule remains the same: repression of the majority of citizens, exploitation of workers, peasants, businessmen, professionals, etc.

Forty-nine million Filipinos cannot be fooled by this recent hoax. Ex-Senator Diokno has summed up the consensus: "The lifting of martial law is deceptive because, in fact, all martial law decrees will continue to be in force. We view it as a farce." Nothing has changed: strikes are still prohibited; freedoms of speech, press and assembly still denied, and the "New Society" as old, sick and corrupt as ever.

Thanks to Washington's average aid of \$100 million taxpayers money (in exchange for corporate superprofits and strategic military bases), Marcos' despotic, authoritarian rule has lasted up to this point where, today, many more millions see that it is not just Marcos or a handful of individuals who have caused their sufferings but an unjust and unequal system—a semi-feudal and semi-colonial society dominated by U.S. corporate interests—that must be dismantled, together with caretaker-parasites like Marcos.

We join millions of Filipinos and Americans in demanding an end to U.S. military support of the Marcos dictatorship, withdrawal of U.S. bases, release of all political prisoners, and ge-

nuine and complete restoration of all civil liberties.

Events have now proved that massive popular resistance—from nuns and priests to the New People's Army and the Bangsa Moro Army—has compelled Marcos to change tactics by a superficial change in the appearance of military rule. But it is time now that we unite and finally do away with the system that breeds the class of Marcos and his ilk.

We urge everyone to unite and support concretely the National Democratic Front and its 10-point program which is the key to the total abolition of martial law and the system that has produced the Marcos clique, and the key to the establishment of a truly democratic, popular and independent government.

-The Coordinating Committee,  
UGNAYAN (Alliance for Philippine National Democracy) Members:  
SAMAPI (Chicago), SAMBAYANAN (New York City), Association of Progressive Filipinos (Montreal), Philippine Research Center (Connecticut), KAMPI (Honolulu)

## WALTER RODNEY

ON JUNE 13, 1980, DR. WALTER RODNEY, a historian of international prominence and a leader of one of the opposition parties in Guyana, the Working People's Alliance (WPA), was killed when a bomb exploded and wrecked the car in which he was riding in Georgetown, Guyana. The Associated Press report on the incident stressed the fact that Rodney was the third senior member of the WPA to have been killed in seven months, the others having been killed by the police.

The killing took place while Rodney and others were on trial for a variety of political charges, which centered on charges of arson. Independent observers at the trial have asserted that the proceedings were clearly going against the government of Prime Minister Forbes Burnham and the trial had been suspended for a two-month period in order to give the government opportunity to "improve" its case. At the same time the government had indicted 17 people associated with the WPA on a charge of treason. All of this occurred after Prime Minister Burnham had personally vetoed the appointment of Dr. Rodney to a position at the University of Guyana. A representative of Amnesty International present in the court during the preliminary examination on these charges declared that Amnesty International will formally adopt the case as a subject of its inquiry into political oppression in Guyana.

Rodney had held academic positions at the University of the West Indies in Jamaica, at the University of Michigan, the University of Dar-es-Salaam and the State University of New York at Binghamton. He was the author of a number of outstanding works on African history, including *How Europe Underdeveloped Africa*, which probed the impact of the slave trade and colonialism and imperialism upon African development. His *Groundings with my Brothers*, written versions of popular talks on African and contemporary West Indian politics, penetrated deeply into the struggles of the West Indian people. The first volume of Dr. Rodney's history of the Guyana labor movement, finished shortly before his death, will be published in 1981 by the Johns Hopkins University Press, with an introduction by George Lamming.

The circumstances of Rodney's death and his preeminence as a scholar and political activist who united scholarship and politics and who had gained the respect of intellectuals throughout the world and of thousands of working people in Africa, England, America and the West Indies, demand that an International Commission of Enquiry into the death of Walter Rodney be created.

Those having ideas as to the composition of such a commission and who wish to contribute funds for this effort may write to the Los Angeles Committee for Academics in Peril (LACAP), P.O. Box 25722, Los Angeles, CA 90025, which

is helping to coordinate information and activities concerning Rodney's murder.

The following have signed the letter concerning the death of Walter Rodney and copies of their letters are in the possession of Professor George P. Rawick, Department of History, University of Missouri at St. Louis, St. Louis, MO 63121:

-Huw Beynon (Dept. of Sociology, Univ. of Durham, England), Lionel Cliffe (Dept. of Politics, Univ. of Leeds, England), Michael Craton (Dept. of History, Univ. of Waterloo, Canada), David William Cohen (Dept. of History, The Johns Hopkins Univ., USA), Philip D. Curtin (Dept. of History, The Johns Hopkins Univ., USA), Basil Davidson (England), David Brion Davis (Dept. of History, Yale Univ., USA), DeWitt S. Dykes (Dept. of History, Oakland University, USA), Jack P. Greene (Dept. of History, The Johns Hopkins University, USA), Herbert H. Gutman (City Univ. of New York, USA), Robert Hill (Marcus Garvey Papers, Univ. of California, L.A., USA), Thomas Hodgkin (England), Chandra Jayawardena (Macquarie Univ., Australia), Mary Karasch (Dept. of History, Oakland Univ., USA), Vincent B. Khapoya (Dept. of Politics, Oakland Univ.), Franklin Knight (Dept. of History, The Johns Hopkins Univ., Australia), Robin Mackenzie (Dept. of Anthropology, Macquarie Univ., Australia), Anthony P. Maingot (Dept. of Sociology and Anthropology, Florida International Univ., USA), Sidney W. Mintz (Dept. of Anthropology, The Johns Hopkins Univ., USA), Bertell Ollman (Dept. of Politics, New York Univ., USA), Richard Price (Dept. of Anthropology, The Johns Hopkins Univ., USA), George P. Rawick (Dept. of History, Univ. of Missouri, St. Louis, USA), Patricia Romero (Dept. of History, The Johns Hopkins Univ., USA), Richard Small (Pres., American Association of Jurists, Kingston, Jamaica), Immanuel Wallerstein (Dept. of Sociology, State Univ. of New York at Binghamton, USA) (Institutional affiliation for purposes of identification only.)

## HISTORY REPEATS?

DIANA JOHNSTONE OBFUSCATES AND even denies the ever-present danger of anti-Semitism in her article about Noam Chomsky's latest aberration (*ITT*, Jan. 21). When she states that "there is no real sign of any popular revival of Nazism and false alarms on that score may well distract attention from more present evils," she ignores so many warning signs. Does it take more than bombings that kill and marches to arouse Johnstone's concern? Need she be reminded that France is the birthplace of the type of anti-Semitism that led to the Nazis? The Dreyfus affair gave Herzl the idea for Zionism and anti-Semitism was as virulent in France as it was in Germany, until the concentration camps. As for French complicity in the Holocaust, I refer her to the films of Ophuls and Costa-Gavras.

As for Chomsky, he is no longer a gadfly, but merely contemptible. His steadfast refusal to recognize that Jewish people have a parallel need to the Palestinian people has made him a knee-jerk Third-World cheerleader and an ally of anti-Semites. First he attacks Israel's right to exist, and now he defends a liar about the Holocaust. Chomsky is more dangerous than a French crank, because of his intellectual respectability (witness your list of sponsors). As an admirer of his work ten years ago, I am appalled that he allowed his defense of civil liberties to be used as a preface to a work denying the Holocaust. Surely there is a better forum for his ideas. If he has allowed this to occur and failed to renounce it, he has earned my condemnation. Politics surely does make strange bedfellows.

-Joel Rosenblit  
Cincinnati, Ohio

*Editor's note: Please try to keep letters under 250 words in length. Otherwise we may have to make drastic cuts, which may change what you want to say. Also, if possible, please type and double-space letters—or at least write clearly and with wide margins.*

## NEXT WEEK IN THESE TIMES

### Fear City

The string of unsolved murders is taking a heavy psychological toll on black families in Atlanta.

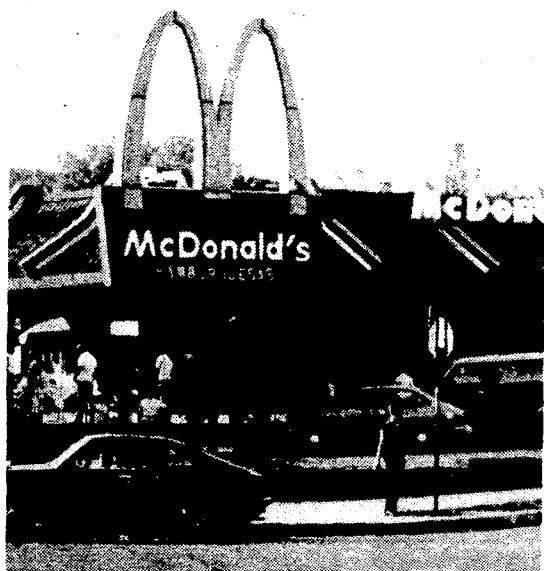
### Brazil's

### own Lech Walesa

"Lula," the charismatic leader of the Brazilian metalworkers union and a national symbol of trade union militance, goes on trial this month on charges of subversion.

### McProfits are universal

But selling hamburgers in Latin America presents some special problems. David Helvarg reports on McDonald's south of the border.



Stuart Zinn



By Paul Novick

**I**T HAS LONG SINCE BEEN OBSERVED that the "anti-Zionism" of various books, pamphlets and articles that have appeared in the Soviet Union since 1963, when Trofim Kichko's book, *Judaism Without Embellishment*, was published, is really only a cover for anti-Semitism. In this article I shall deal with a new book, supposedly about Zionism, in which the author goes way back to the times of the Russian czars Nicholas I and Alexander II when no Zionist movement existed. This book "demonstrates" that not only is there no Jewish problem in the Soviet Union now, but that there was no Jewish problem in Russia under the czars.

It is, unfortunately, no longer news that this literature makes a defense of the czarist pogroms against the Russian Jews. The pioneer in this effort, Dimitri Zhukov, declared on Oct. 12, 1974, in the weekly magazine *Ogonyok*, a publication of the Moscow Pravda, that the anti-Jewish pogroms in czarist Russia were actually a form of the class struggle and that it was the exploited non-Jewish masses who resorted to this form of class struggle against their Jewish exploiters.

This theory was further elaborated by Valery Yemelyanov. On Oct. 14, 1979, the *Morning Freiheit* reprinted in its entirety the Yiddish translation of Yemelyanov's article that had appeared in the Moscow magazine *Our Contemporary* (No. 8, 1978), the organ of the Writers Union of the Russian Socialist Federative Soviet Republic, the largest of the 15 republics of the USSR. Yemelyanov's article was a book review of the Vladimir Begun book *Invasion Without Arms*. In this review Yemelyanov upholds Begun's viewpoint on the anti-Jewish pogroms of the czarist era in this manner:

"If the anger of the people poured itself out on the Jewish usurers, tavern keepers, manufacturers, merchants and other exploiters, the reason for this must be sought not in the national [that is, ethnic—P.N.] antagonism, but first of all in the class antagonism. We will not reproach our fathers, grandfathers and great grandfathers who fought for a just cause [with having] a powerless attitude toward their exploiters, regardless of their birth or national origin."

Thus we see that the attitude to the anti-Jewish pogroms in czarist Russia has been firm and "clear" for quite some time in the supposedly anti-Zionist, but actually anti-Semitic literature that has been published in recent years in the Soviet Union. Now I shall examine a newer book, which goes even further than the writings of Begun and Yemelyanov.

This new Russian book is entitled *Zionism As a Form of Racism and Racist Discrimination* and its author is Lydia Artemyevna Modzhorian. The book was printed in 1979 in Moscow by the publishing house Mezhdunarodnaia Otnosheniia (Interpeoples Relations) and it was on sale at the Four Continents Book Store on Fifth Avenue in New York.

Lydia Modzhorian cites the opinion of Yakov Brafman, who invented the tale that the pogroms in czarist Russia were a form of "class struggle." Here is how Lydia Modzhorian summarizes Brafman's viewpoint:

"The excesses [pogroms—P.N.] that had occurred were aroused not because of the national or religious affiliation of the Jews, but were a response to the exploitation to which the broad masses



Jews in flight from Russia find shelter in Austrian Lemberg, June 1882.

were subjected in the capitalist enterprises. If the workers in these enterprises came out against their bosses who were Christians or Moslems this was called a mutiny; but similar actions in enterprises where the bosses were Jews were termed 'anti-Semitic pogroms' by the press, which was financed by these same entrepreneurs."

Lydia Modzhorian describes the troubles that the Jews caused the czarist regime. The Jewish problem in czarist Russia was only "artificially created" to enable "the penetration of West European Jewish capital into the country," Lydia Modzhorian states. This is how the Jewish "usurer bankers" (her designation) continually interfered in czarist Russia as far back as the times of Nicholas I!

#### Libels and falsehoods.

Lydia Modzhorian also includes various tales of which we will note a few here:

1. The Alliance Israelite Universelle, the French Jewish philanthropic organization founded by Adolphe Cremieux in 1840, was supposedly, according to Yakov Brafman, "a political center of the entire Jewish people" (page 24). Actually the Alliance aided victims of anti-Semitism in various countries and sponsored modern schools for Jewish children in North African countries.

2. The B'nai B'rith, which was founded in 1843, is described as a sinister, "international organization of Jewish masons" with rituals, a secret membership, secret passwords and signs (page 26).

3. On page 27 Lydia Modzhorian again forgets all about Zionism and refers to "the political dogmas of Judaism," that

is, of the Jewish religion. One wonders what these political dogmas are.

4. On page 74 she quotes a statement, supposedly from the Chumash (Pentateuch), one of the religious Jewish texts, that Jews may take interest only from non-Jews and that it is written in the Chumash: "And you will give loans to many peoples and you yourself will take loans and rule over many peoples and they will not rule over you."

Whether this is a correct quote or not is immaterial. One can find in centuries-old religious books of all kinds—Judaic, Christian or Musulmanic—many obscurantist statements which are irrelevant to present-day relations among peoples. In fact, similar fanatical and obscurantist statements in old Judaic religious books were used by the czarist prosecutor in the infamous ritual murder case against Mendel Beilis in Kiev in 1913. Even the czarist court rejected them as "evidence" and Mendel Beilis was set free.

5. On pages 84-85 and on page 148 she writes that Simon Wiesenthal, the famed hunter of Nazi war criminals and murderers of the Jews, is linked to the American and Israeli espionage services and that his behavior during World War II "aroused suspicion." Wiesenthal's Documentation Center in Vienna, with its voluminous files on Nazi war criminals, she terms "a spy network." Thus Lydia Modzhorian joins the Nazis and their apologists in defaming Wiesenthal's efforts to ferret out Nazi war criminals and murderers who are still at large.

6. On page 99 she writes of Israel's war for independence in 1948 when the Socialist states provided Israel with arms

and when the Soviet representative Andrei Gromyko denounced the Arab aggression in the UN. Despite this, Modzhorian claims: "Many facts attest that Israel was the aggressor in this war."

#### Astonishment and shock.

From all that is said in her book, one fact emerges: This book is a defense of czarism. According to Lydia Modzhorian, there was no Jewish problem in czarist Russia at all. It was "artificially created" by "foreign Jewish capitalists"; there were no anti-Jewish pogroms, but Jews continually interfered in the affairs of czars Nicholas I, Alexander II and Nicholas II. What is going on here?

To whom shall one cry out? We are asked to forget about Tolstoy, Turgenev, Chekhov, Gorky, Korlenko and all that was noble in Russian literature. We are asked to forget about all those who fought against the pogroms on the Jews, to forget about the revolutionary Russian workers and students who joined the Jewish self-defense units against the pogromists. We are asked to forget Lenin's denunciations of the pogroms in Kishinev and Bialystok and to forget Lenin's famous gramophone address of March 1919 in which he said:

"When the accursed czarist monarchy was living its last days it tried to incite ignorant workers and peasants against the Jews. The czarist police, in alliance with the landowners and the capitalists, organized pogroms against the Jews.... Shame on accursed czarism which tortured and persecuted the Jews. Shame on those who foment hatred toward the Jews, who foment hatred towards other nations."

Yevgeny Yevtushenko, in his historic poem, "Babi Yar," recalled Alfred Dreyfus, Anne Frank and the pogrom in Bialystok and called out:

*Oh, my Russian people,  
I know that you are internationalist  
by nature,  
But often those whose hands are  
unclean  
Made use of your irreproachable  
name.*

What is happening there? Is socialism possible with czarism? Had the socialists and the revolutionaries once gone in vain to prison camps because of their struggle against czarism?

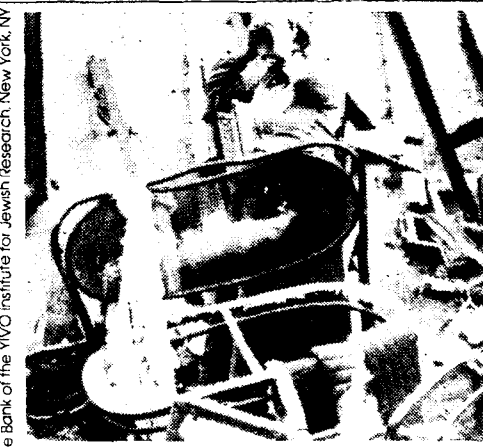
When a country continually engages in anti-Semitic propaganda, regardless of which country it is, our obligation is to demand that this propaganda be halted. This must be done where capitalist countries are concerned and it certainly ought to be done if these are countries that claim to be Socialist, and most certainly it ought to be done if this is the country which after the October Revolution gave the Jews and the Yiddish culture opportunities never seen before in the entire history of the Jewish people. This is the very same country where anti-Semitism was once outlawed and in which Lenin with fiery scorn assailed anti-Semitism and the anti-Semites as the deadly enemy of socialism and the October Revolution.

In behalf of the future of the Jewish people, in behalf of socialism, of detente and peace, we must fight against the promoters of anti-Semitism in the Soviet Union and the official line of publishing and circulating anti-Semitic literature in that country and abroad.

Paul Novick is editor of the *Morning Freiheit*, where a longer version of this article appeared.



Jewish defense groups organized in 1905 in Pinsk, then a part of Russia, against pogroms.



After the pogrom in Kishinev, Bessarabia, during Easter, 1903



## INPRINT

## POLITICS

## Is the nation state finished?

## The National Interest and the Human Interest

By Robert C. Johansen  
Princeton University Press,  
\$6.95 (paper), \$32.50 (cloth)

By William Sweet

Most people don't rank new schemes for world government real high among their interests these days, and if Johansen's book included nothing but his ideas for a new world order there wouldn't be much to recommend in it. Fortunately, though, most of his book is devoted to analysis of U.S. foreign policy in several major areas, and some of this analysis is very good stuff. Johansen is president of the Institute for World Order, a global think tank in New York that promotes a wide range of education-

al and scholarly endeavors. A close associate of the institute, Richard Falk—an expert on international law who played a prominent role in the anti-war movement—has written an elegant introduction. Falk observes pointedly that U.S. foreign policy currently impresses most citizens as both uninspired and ineffective, and therefore assaults “that aspect of national character preoccupied with success, as well as that concerned with virtue.” Johansen has much to say about why this is so.

In the analytic chapters of his book, Johansen evaluates selected U.S. policies in the four general areas stressed by the Institute for World Order: peace, social justice, human rights and ecological balance. As examples of U.S. policy in each area, he discusses the strategic arms lim-

UNKNOWN PRESS (CIVILIAN)  
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One can be profoundly skeptical about the possibility of getting aid to the right people, even with the best of intentions, and still have a gut feeling that any one of us could dig up more than three cents a year and find something useful to do with it to help poor people abroad.

## Anti-Allende.

Another excellent section of Johansen's book deals with policy toward Allende's Chile. Johansen provides a comprehensive account of the U.S. economic sanctions against Allende that contributed so mightily to his government's problems: termin-

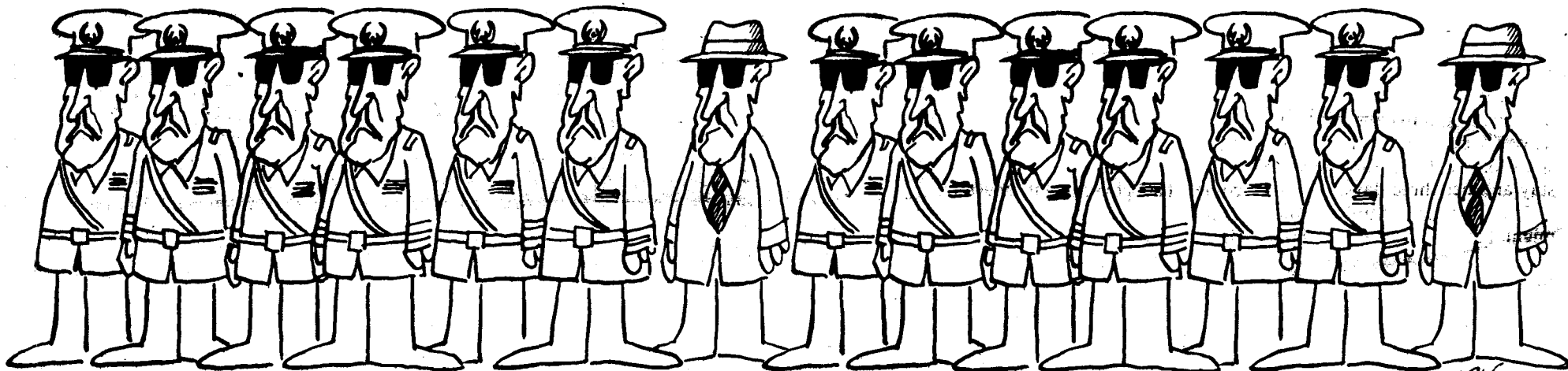
orate with the CIA, there was no effort to prevent multinational corporations from interfering in foreign elections so long as they did not work through the U.S. government. Insofar as Senator Frank Church's committee criticized U.S. intervention in Chile's internal affairs, it restricted itself to “the argument that such tactless policy might jeopardize the future investment of other corporations.”

## Seas and SALT.

In the chapters on India and Chile, Johansen manages to be consistently insightful and interesting despite the pitfalls of his

reasonably stable relations with Russia, and if you want to have a forum where there is some hope of eventually achieving real arms reductions, then you want SALT. You want it despite all the shortcomings that Johansen enumerates.

In matters like these, where our survival is at stake, and where it is of the utmost importance to build on constructive achievements, however small, Johansen strikes me as rather too ready to grope for utopian solutions. In all the areas he discusses, he is intent on showing that the real problems cannot be solved within a system of sov-



## cineaste

AMERICA'S LEADING  
MAGAZINE ON THE  
ART & POLITICS OF  
THE CINEMA

Published quarterly, each issue features articles, reviews and interviews on everything from the latest Hollywood films and the American independent scene to the newest European releases and the emerging cinemas of the Third World.

Past issues have featured interviews with Costa-Gavras, R.W. Fassbinder, Bernardo Bertolucci, John Howard Lawson, Andrew Sarris, Paul Schrader, Sidney Poitier, Bruce Gilbert, Jean Rouch, Jorge Semprun, Lina Wertmüller, Gillo Pontecorvo, Roberto Rossellini, Francesco Rosi, Dusan Makavejev, Agnes Varda, Santiago Alvarez, Barbara Kopple, Tomas Gutierrez Alea, John Badham, Antonio Eguino, David Koff, John Hanson, and many others.

Past articles have included Hollywood and Vietnam, The Left and Porno, Marxist Film Criticism, The Costa-Gavras Syndrome, The Death of Cine-Semology, Frank Capra and the Popular Front, Mideastern Cinema, The Politics of Spy Films, Hollywood's Politics of Compromise, The Adventures of Political Cinema, The Working Class Goes to Hollywood, The Communist Party in Hollywood, Red River: Empire to the West, The Films of Luis Bunuel, How Left Is Lina? and Viva Zapata: Pro and Con.

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itation talks, aid to India, Allende's Chile, and marine pollution.

## Three cents.

The section on aid to India impressed me as the most persuasive and informative. Having developed deplorably cynical attitudes toward U.S. foreign aid long ago, I had not expected to be shocked by anything in the India story. But consider the facts, as Johansen presents them: During the period from 1950 through 1976, the average annual grant and loan assistance to India from the U.S. came to 74 cents per U.S. citizen. This was equivalent to 30 cents per Indian per year.

These figures, Johansen points out, represent a grossly exaggerated picture of U.S. aid to India, since only 14 percent of the economic assistance was in the form of outright grants. Most assistance has consisted of loans, which of course must be repaid with interest. Moreover, roughly 90 percent of grants and loans have been tied to purchases in the U.S., “so that Indians have had no choice but to use the credit to purchase equipment or materials from U.S. corporations, sometimes at inflated prices.” Taking outright, untied grants as the only true measure of aid, Johansen calculates U.S. help to India at three cents per U.S. citizen during the past decade.

ation of Export-Import Bank Loans, termination of U.S. aid and cancellation of existing aid agreements, denial of Inter-American Development Bank and World Bank loans, and so on.

For all practical purposes, the only economic assistance that the United States extended to Chile during the Allende years was \$45.5 million in military aid. Of course this was done so as to promote relations with the military, and after the generals took over in their bloody and

approach, which is to evaluate policy in terms of professed values shared by policy makers. But he gets himself into some trouble on marine pollution and the SALT talks. In the chapter on efforts to end pollution of the oceans, he has little difficulty showing that U.S. marine policies have not lived up to the claims government officials have made. Yet he does not provide an adequate account of what a satisfactory policy regarding marine pollution would be, and

eign states. Yet the alternative system that he proposes—a rather conventional type of world government—obviously stands no chance of being erected within the time that many urgent global problems must be solved.

Yet it also must be admitted that many of the problems that Johansen describes really are hard to solve in a system of sovereign states. While we may be tempted to laugh at his proposed solutions, we shouldn't imagine that we could do a lot better in tackling the problems he has addressed. It is not particularly obvious, for example, that a socialist government in the U.S. would be more generous to the world's poor or effective in helping them get on their feet. Nor is it absolutely clear what a socialist government's unique method of arresting global militarism would be.

Secular-minded socialists and morally-inspired globalists can learn a lot from each other, provided they treat each other with a little tolerance. Their working assumptions and rhetoric may clash in some respects, but they share many of the same objectives, and contributions from both will be required if any progress is going to be made in finding solutions to the world's most pressing needs.

William Sweet is a staff writer with Editorial Research Associates, a division of Congressional Quarterly.

## Johansen calculates U.S. aid to India at 3 cents per U.S. citizen each year.

brutal coup, they were rewarded with a renewal of U.S. economic assistance.

Every fair-minded reader, regardless of his or her ideological beliefs, will conclude from this account that if the U.S. did not actually overthrow Allende, this was not from want of effort. Johansen demonstrates just how careful Congress was not to prohibit most of the nefarious activities that came to light in the Chile investigations. While Congress passed legislation prohibiting U.S. citizens from collaborating with the government to influence foreign elections, in reaction to ITT's effort to collab-

he doesn't explain how an effective policy could be implemented.

On SALT, Johansen has no trouble showing that the strategic arms talks have failed to reverse or even significantly curb the nuclear arms race, despite claims to the contrary from Ford, Kissinger and Carter. But just because Ford and Carter can't make a convincing case for arms control in general, and the SALT process in particular, doesn't mean that no convincing case can be made. In a nutshell, SALT is the centerpiece of detente. The Russians leave no doubt that they regard it as the centerpiece of detente. If you want to have



# ART & ENTERTAINMENT

## CENTRAL AMERICA

### El Salvador film made despite risks to crew

By Dave Lindorff

On Jan. 18, two days before the inauguration of Ronald Reagan, public television viewers were treated to *El Salvador: Another Vietnam*, a timely documentary made just two weeks earlier.

A team of freelance documentary filmmakers headed by producer-director Glenn Silber of Catalyst Media, dashed to El Salvador last December on 24-hours notice, with a \$30,000 budget, stayed for six days, and returned Dec. 23 to assemble the product in less than a month.

"It was a miracle," says Silber, 30, who spent four and a half years producing his first major documentary, *The War at Home*.

Silber said the original plan called for two days of shooting, interviewing junta and military leaders set up in advance through the U.S. embassy. But the night before the team was to return home, they were awakened by a number of bombs and, thinking it would be journalistically irresponsible to leave, arranged to stay another three days.

The next day, thinking they might have a chance to film a military action, the crew followed two trucks of soldiers heading out of the city.

The little convoy went along a main road for five miles. Then the soldiers turned onto a dirt road. The team followed close behind for another five miles. "I was saying we ought to pass them and tell them to stop, so we could find out what they were doing," said Silber, "but we were only 15 yards behind, and even though our van was plastered with 'Press' signs, we could see the soldiers in back were getting edgy."

Deciding against trying to pull any closer, the team continued to follow until the trucks stopped. A soldier questioned them. "He said they were afraid we might have been part of a [guerrilla] set-up," said Silber. "If we had tried to pull alongside of them, they would have shot us up immediately—as a matter of policy."

Later that day, the crew learned how lucky they had been. "A friend—someone in the press who had good local connections—told us, 'You guys better be careful. I just got word the security forces are out to burn an American or European journalist to set an example,'" said Silber.

Thus cautioned, the crew decided against any further extensions of their stay, or any efforts to reach the guerrillas in the countryside. They departed after six days, on Dec. 23. Three days later, a New Jersey-based freelancer who had just arrived in El Salvador "disappeared."

The problem facing Silber, production manager Tete Vasconcellos, and the other three members of the team, was that they had come on short notice to a country in the midst of a civil war. They had appointments

with the head of the military, Jose Guillermo Garcia, and the new leader of the junta, Jose Napoleon Duarte—both arranged by the U.S. embassy, which backs the junta. But with no contacts with the opposition inside the country, which must operate largely underground, the film team had to wait for people to come to them, or to rely on contacts passed to them by journalists already in the country.

"As soon as you arrive, you realize you're not in Kansas," said Silber. "Having press credentials down there doesn't suddenly give you freedom of movement. In fact, you realize that having the word 'press' on the side of your car can be dangerous."

Worse still, for someone trying to complete a documentary on short notice, there was widespread suspicion. "People didn't know if they could trust us, and we were never sure we could trust them," Silber said.

Vasconcellos, a Brazilian production manager who was also in charge of safety for the entire crew, added, "The main problem is that you don't feel welcome. The government doesn't want you there, and you know there is a danger from both the military leaders and the soldiers acting on their own. And though the sides are well defined in El Salvador, people are so terrified that they are afraid to talk to you."

There were also hints that the U.S. embassy support for their government interviews was not working. "We noticed people taking our pictures from behind cars and trees," said Vasconcellos, "and other people kept offering to take us on suspicious trips to meet people."

Despite these obstacles and threats, the hour-long film was a

remarkable success. The group's intent had been to make "an historical, political documentary—to get behind the myths that appear in the newspapers here about three sides (left, right and the government), and to find out



The Catalyst film crew assembled *EL SALVADOR: ANOTHER VIETNAM* in less than a month; from left to right: Deborah Shaffer, Tete Vasconcellos, Glenn Silber, Pam Yates and Tom Sigel.

whether the opposition has support and a chance to win a revolution."

The film indicts U.S. policy, which, according to Richard Feinberg, a former State Department official responsible for policy in Central America, has been to "define security in El Salvador as anything to keep the left out of power." Feinberg, who quit the State Department largely over U.S. policy towards El Salvador, is interviewed at length in the film.

The film's images of nervous slum dwellers who shy away

from the camera, or refugees from the countryside driven by the government into urban refugee camps, are reminiscent of Vietnam. "The so-called agrarian reform program always cited as progressive by the U.S. government was designed by the same people who developed the pacification program in Vietnam," says Silber.

While they may have been short on contacts when they came, the Catalyst Media team found people willing to talk about what was happening to them. Two members of the country's Human Rights Commission came out of hiding to describe the junta's terror operations. They directed the filmmakers to a cliff outside town where each night the army disposes the bodies of its latest victims. The discarded bodies are located by relatives only when

no young men in the camp), he angrily condemns the junta and the military for conducting a campaign of terror in the countryside that drives survivors into such camps. Even there they are threatened, he says, by soldiers who come in search of young men and weapons. His greatest fear is an assault on the camp, which he says could happen at any time.

This is a concern shared by the filmmakers, who realized the people they interviewed put their lives in danger. Silber said that the day the film was first aired by PBS they got a message to the camp worker, alerting him so he could act to protect himself against reprisal by the government. "Everyone who spoke to us in the film knew they were putting themselves in danger," said Vasconcellos. "They are courageous people." A week af-

ter the film aired Victor Med-

One of the most powerful segments of the documentary is a set of five stills provided by the Human Rights Commission, showing two young men being arrested by uniformed soldiers, carried away at gunpoint in a truck filled with troops, and then—only half-covered skeletons—being identified by their mothers.

But the most damning evidence in the film comes from a refugee camp worker in a crowded camp in the city. Against a backdrop of hungry children and worried mothers (there are

ter the film aired Victor Medrano, the administrative secretary of the Human Rights Commission, was arrested by the National Police. Silber said that a Committee of Concerned Journalists had been set up to press for his release.

A strength of the film is that it lets the people speak. Speaker after speaker, from leaders of the broad-based opposition organization, the Democratic Revolutionary Front (FDR), to the country's Archbishop Arturo Rivera y Damas, angrily de-

Continued on the following page

### Nicaragua gets a hand in PBS special

By John Clements

*These Same Hands* is a warm, lyrical documentary film about post-revolutionary Nicaragua. Ernesto Cardenal, who talks about the Government of Reconstruction's commitment to culture, provides commentary tying together images of insurrectionary and post-victory Nicaraguan life. A number of songs by Grupo Pancasan provide relief from the footage depicting the ravages of war. However, the concert footage of Pancasan, which pops up from time to time, distracts from the narrative.

In a ironic introductory clip, a 1937 Paramount newsreel narrator intones in classic Edward R. Murrow style, "Our Marines went into Nicaragua, staying until the people knew order and the generals knew peace. Who remembers the rebel Sandino?" *These Same Hands* marches predictably across the screen for 53 minutes. The movie's warmth,

its human dimension, is its saving grace.

Beginning with a look at the cynical tyrant, Somoza, we move to intense, sincere Cardenal. Poet, priest, Minister of Culture in the new government, Ernesto Cardenal is charismatic and magnetic, a reassuring figure to whom the camera will return a number of times.

The best part of the film is its battlefield scenes, the interviews with soldiers—including some very young ones—and the close-up conversations with doctors, government leaders and townspeople. The voice-over translations and the choice of voices are very good. I was particularly moved by the sense of love of family and life shown by the soldiers.

The details of life during and after the war were revealing: sardine-can grenades, a street-naming ceremony, men working at sewing machines, hundreds of young people marching. But I got little idea of the political

content of the revolution. The film's discussion of the Sandinista Defense Committees barely touched the surface and there was no discussion of where the labor movement was headed.

But, perhaps it's unfair to ask that of *These Same Hands*. It's an overview, sort of a "Nicaragua for Beginners," in the spirit of the Mexican artist, Rius.

Today, the Nicaraguan people are confronting many questions: How much socialism? What kind? The three priests in the cabinet, Cardenal, Foreign Minister Miguel d'Escoto and Social Welfare Minister Edgar Parrales, seem intent upon continuing their political offices despite the coolness of Nicaraguan Archbishop Obando y Bravo and the open opposition of CELAM, the Latin American Bishops' Conference. The Pope, however, may have been signaling approval of the Nicaraguan process with his recent appointment of Pietro Sambì as papal nuncio to Managua. Sambì was previously

the Pope's representative in Cuba and is known for being well-disposed to social change.

The people and government of Nicaragua also have to confront the growing threat from the Central American Right. Bolstered by thousands of former Nicaraguan National Guardsmen ready to fight "communism" to the death, the armies of Guatemala, Honduras and El Salvador may yet turn the civil war in El Salvador into a Central American land war, aimed as much at Nicaragua as at the Salvadoran revolution.

*These Same Hands* provides a context for looking at today's events and, no doubt, it will be the best hour on television when it hits PBS in New York on Feb. 21. Local stations will show it at different times. Stations that have not scheduled it can be requested to do so by phone. ■

John Clements writes for Peoples Translation Service and Interlink Press Service in Oakland, Calif.



## MUSIC

# Rock world is catching up to Beefheart

By Don McLeese

When a rock act benefits from the sort of media blitz that Captain Beefheart and the Magic Band have received—glowing features in *Newsweek*, *Rolling Stone*, *The Village Voice*; an appearance on *Saturday Night Live*; rave reviews for the recent *Doc at the Radar Station* album practically everywhere—it's usually a matter of working oneself into the right place at the right time.

With the 39-year-old Beefheart—a.k.a. Don Van Vliet—such is not the case. He's been in pretty much the same place, with various Magic Bands, for the last 15 years or so. It's the rest of the world that has finally caught up.

At the very least, one might suspect, Beefheart's record company must have a well-oiled publicity machine working overtime on his behalf. Not so. Much of Beefheart's recording career has been a comedy of errors, and his current experiences are no exception. Shortly after he signed a couple of years ago with Virgin Records, the latest in a string of labels, the British-based company closed its American office

in the face of the record-business slump. More recently, the label decided to sever its American distribution tie with Atlantic Records, leaving *Doc at the Radar Station* as a sort of "lame duck" release, the last to be handled under the agreement. In a business where promotion and tour support can be crucial, Beefheart continues to persevere in spite of, not because of, record company efforts.

So why is the Captain receiving all this belated recognition after years of comparative obscurity? Part of the reason is that his influence is so obvious in much of the rock that is fashionable today. It's apparent that groups such as Devo, the B-52s, even the Talking Heads (not to mention the scene's outer fringes, from Pere Ubu to John "Rotten" Lydon's Public Image Ltd.) owe a heavy debt to the brittle instrumental interplay, inside-out rhythms, and surrealistic wit and wonder that have long characterized Beefheart's music. While there may not have been many listening to the Captain a decade ago, those that were listened well.

A better question might be, what has taken so long for the Captain to start receiving his due? Reducing him to a role as some sort of New Wave godfather minimizes the Captain's own vitality. Few of those he's influenced have come close to matching either the bite or the heart of the Captain's music. What his imitators have arrived at by plot, calculation, or theory—"Somebody's had too much to think," as the Captain put it in the recent

Don Van Vliet, a painter and a sculptor as well as a rocker, takes his inspiration where he finds it. This drawing is from his album *DOC AT THE RADAR STATION*.



Don Van Vliet

"Ashtray Heart"—has always bristled with spontaneity, surprised through impulse from Beefheart.

Not that Captain Beefheart is without his own influences. The ghost of Howlin' Wolf rages through the gritty intensity of his vocals; his free-spirited saxophone excursions suggest the adventurousness of Ornette Coleman and Eric Dolphy; there's a touch of Charles Bukowski's earthiness in his dirty-old-man growl. As a painter and a sculptor as well as a rocker, he takes his inspiration where he finds it. The result is a highly personal, totally unique synthesis that seems to proceed straight from the soul.

What has perhaps been most impressive about his music throughout his career is its askew cohesiveness, its *wholeness*. During his recent American tour, a typical set (although purists would argue that the very notion of a "typical" Beefheart set is a

contradiction in terms) would range over the entirety of his work, from mid-'60s favorites like "Kandy Korn" and "Safe as Milk" up through a healthy chunk of *Doc at the Radar Station*. For those who haven't followed his career, it would have been impossible to date the music. It remains all of a piece—the older material coming across as fresh and visionary as the new, the newer retaining the same gut-level charge as the old. All of which makes the description of Beefheart as a "progressive" artist a little misleading—the Captain doesn't appear to be ahead of his time so much as *outside* time.

For those who want the full-strength introduction to Beefheart, 1969's two-disc *Trout Mask Replica* remains his masterpiece (and, surprisingly enough, it's still in print). It's a jagged, bracing, free-associative work in which rhythm and melody turn in on each other, in which the entire foundation of rock seems to disintegrate and then restructure itself anew in the Captain's image. While the music can be abrasive, its spirit is inviting rather than forbidding,

a welcome change from the self-satisfied smugness that so often passes for avant-garde. Legend has it that Beefheart composed the entire 28-song opus during an afternoon at the piano, and then spent months teaching it note-by-note to his musicians.

*Doc at the Radar Station* boasts some of the hottest music since *Trout Mask*. Because it's more guitar-oriented than some of the band's previous music, it might be a little more accessible to guitar-conditioned rock audiences. Even when the guitars are full-throttle, however, as on the hard-charging "Hot Head," a certain delicacy remains as well. Beefheart's music has always had the sort of expansiveness that can subsume opposites, even outright contradictions.

After all this time, the Captain is not about to be defined by current trends and tastes. Out of all the groups that have benefited from his influence, it is likely that most will wither with the changing breezes. And that, come what may, the Captain will continue to challenge and enchant.

Don McLeese reviews rock music for the *Chicago Sun-Times*.

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### CHICAGO, IL

#### February 16

There will be a wine and cheese reception with Harry C. Boyte, author of "The Backyard Revolution," at Midwest Academy, 600 W. Fullerton, Ave., from 5-8 p.m. Admission is \$1.50.

### NEW YORK, NY

#### February 13

There will be a Radical History Forum on "El Salvador," with Bob Armstrong of NACLA and Jim Stevens of OXFAM. 7:30 p.m. at John Jay College, 445 W. 49th St. Admission is \$2.00.

The New York Institute for Social Therapy and Research Speakers Series presents "Economics and Organizers." What is the character of the current capitalist economic crisis? What are the implications of the failure of Reaganomics? The panelists include: Stanley Aronowitz, Columbia University; Gita Sen, The New School

for Social Research, and Bill Tabb Queens College. At 8:30 p.m. at Teachers College, Columbia University, Room 263 of Macy Hall. The Institute practices a Marxist clinical psychology. Call 663-5056 for information.

### BERKELEY, CA

#### February 13-15

Union for Radical Political Economics (URPE) West Coast Conference, with speakers Johanna Brenner, Harry Britt, Ron Delums, Michael Klare and Robert Girling. Subjects include: the New Right, U.S. Militarism, Labor History and progressive films. Friday at 8:00 p.m. through Sunday, Warren Hall, U.C.-Berkeley campus (at the corner of University and Oxford Streets).

### PITTSBURG, PA

#### February 14

"Eyewitness Report on Poland," with Joel Geier discussing his recent trip to Poland. Saturday at 7:30 p.m. at the First Unitarian Church, Ellsworth and Morewood Streets. Sponsored by Changes Magazine.

### CLEVELAND, OH

#### February 15

"Eyewitness Report on Poland," with Joel Geier discussing his recent trip to Poland. Sunday at 7:30 p.m. Location to be announced. Call 476-4658 for more information.

## Salvador

Continued from facing page  
nounce the U.S.-sponsored fiction that the military and the junta somehow represent a moderate "middle road" between violent rightists and leftists.

Silber's own view is that "without U.S. aid to the junta, the revolutionary forces in El Salvador would undoubtedly win," he says, "because they are far more organized than the U.S. press would have you believe." As evidence of this he points to the ability of the opposition leaders and Human Rights Commission members to exist in the capital underground. But he leaves unanswered what effect massive U.S. military intervention—in the form of helicopter gunships, napalm and even the marines—might have.

There is one unavoidable weakness in the documentary. Because the team shot only in the capital of Sal Salvador, where the government, military and refugees from the countryside are concentrated, the film shows a demoralized people,

which may not accurately depict the mood of Salvadorans. The same kind of thing happened in press coverage of the Sandinista struggle in neighboring Nicaragua. There the cameras focused on the oppression in Managua, while the Sandinistas were creating liberated zones in the rural areas. It is easy to think the worst when viewing scenes in this documentary of small children wimpering beside slain parents, or of young boys wandering almost casually around the bodies of the government's latest victims. It is a problem that might have been resolved had the documentary team been able to visit the countryside, where peasants and guerrillas are successfully fighting back.

While some PBS affiliates aired the documentary on Jan. 18 and 25, many stations are considering second airings, while others have yet to make it available. For copies of the video cassette, write: Nina Rosenblum, c/o Deborah Shaffer, 33 Greene St., #5, New York, NY 10013, or call (212) 226-7034 or 724-7320. David Lindorff is a freelance writer with the New York Area Media Alliance.



# Singer

Continued from page 16  
machines were the only model people had ever seen. Mahatma Gandhi exempted them from his ban on Western machinery, reportedly saying that the sewing machine was one of the few useful things ever invented.

By the time of Singer's death in 1875, his estate was worth \$1.3 million. It was divided up in his will among two legal spouses, three commonlaw wives and 24 children. Isaac Singer's exploits in his personal life, as well as in business, were legendary, and a source of considerable embarrassment to the puritanical Edward Clark.

Singer rested on its laurels as a multi-million dollar monopoly until the 1950s, when Japanese and Italian competitors began to cut into the company's markets at home and abroad. When Singer's share of the world-wide sewing machine market plummeted from 70 to 30 percent, the board of directors decided it was time for a new approach. In 1958 they aligned themselves with corporate lawyer Donald P. Kircher, who had been with Singer 10 years before being tapped to head the company.

Recognizing that the U.S. sewing machine market was near saturation, Kircher undertook a major diversification program; Singer branched out into electronic calculators and test instruments, home and office furniture and tufting and knitting machinery. It acquired Friden, Inc., and General Precision Equipment Corp., as well as an Italian refrigerator and washing machine manufacturer, a mail-order house in Germany and a string of home-building companies in Northern California. Though generally heralded as a model diversification program (the Singer Company was studied at Harvard Business School as the prototype of a company successfully meeting the challenge of a mature market), by 1975 it was apparent that some serious mistakes had been made.

This time, the directors turned to an outsider, Joseph P. Flavin, former Xerox executive. Forty-seven when he took the helm, Flavin confidently predicted that the company could be turned around. His plan was twofold: first to eliminate money-losing ventures acquired during diversification, particularly the business machines, while concentrating instead on aerospace and defense work and the manufacture of power tools; and second, to find more economical ways to produce sewing machines

such as subcontracting parts abroad or buying them already made. Divesting itself of unprofitable acquisitions eventually cost Singer \$465 million. Reorganization of its U.S. and European sewing machine operations entailed a \$130 million write-off in 1979 and further losses are being projected.

This continual reorganization and reassessment in the top echelons of the company has resulted in a steady loss of jobs for workers throughout the Singer empire. In 1979 3,000 workers were terminated in Clydebank, Scotland, Singer's first plant to be built abroad. The layoffs in Elizabeth will add 850 jobs more to the total. And the company is also threatening to close its retail stores throughout the country. That too would mark the passing of an era in American business characterized by one company manufacturing a single product and retailing that product only through its own designated outlets.

Joseph DiBella is president of Local 461 of the International Union of Electrical Workers (IUE) and has worked at the Elizabeth plant 40 years. He heard about the layoffs the same day the closing was announced to the press. DiBella thinks that if the money spent on acquiring new plants and companies had been put instead into moderniz-

ing the Elizabeth facility the plant might still be competitive. But now DiBella believes that securing a defense contract may be the only way to rescue jobs. He mentions that the Singer plant in Little Falls, N.J., has just received a \$3 million contract to make aerospace equipment and that during World War II the Elizabeth plant was geared up for the production of bomb sights. Another option, DiBella suggests, is to recapitalize the sewing machine operation through an Employee Stock Option Plan. ESOPs—discredited lately because of management abuse of them—can give a company substantial tax breaks when borrowing money, some of which is set aside for employees to purchase company stock.

Shutdowns of Singer plants in other parts of the world have met with worker resistance. It took three years for Singer to close its appliance manufacturing plant in Leini, Italy, because workers occupied the factory several times. Singer has decided against closing another plant in Monza, Italy, though the sewing machine division there is just breaking even.

Last year, workers at the Elizabeth plant went on strike over the practice of farming-out the manufacture of sewing machine parts to Singer's overseas facilities. The strike, which

lasted 43 days, ended with a one-and-a-half-year contract and a "modified farm-out clause" whereby only 262 employees might lose their jobs. When asked if management had given any indication at the time that the entire home sewing machine division would be shut down, DiBella says, "no," but adds, "These things don't just happen overnight."

The central question for workers at the Elizabeth plant now is whether management will accept the union's suggestions for either securing defense contracts or implementing an ESOP. At this writing, the first option seems more likely.

In any event, home sewing machines—which Singer has been manufacturing and assembling in Elizabeth since 1873—will soon be manufactured only in its plants abroad. Some assembly work will continue to be done in Singer's non-union plant in Anderson, S.C., using parts that come from South Korea or Taiwan. There is speculation that Singer may get out of the home sewing machine business altogether. But this is not likely, given the growing demand for sewing machines in Africa, Asia and Latin America.

Paula Borenstein is a freelance writer in Elizabeth, N.J., and Sarah D. Wolfe is a freelance writer based in New York City.

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SOCIALIST REVIEW STAFF POSITION. Job emphasis: business, fundraising and production coordination. We all do editorial/political work. Available 3/1/81. Write: S.R., 4288 Telegraph Ave., Oakland, CA 94609. Call: (415) 653-6100. Salary: \$15,000/year. Apply by 3/15/81.

ORGANIZER to build statewide network, manage transportation alternatives grant in North Carolina. Experience: transportation policy, community organizing, fundraising. Salary: approx. \$10,000, negotiable. One-year minimum commitment. Start-up Spring 1981. Resume to North Carolina People's Alliance, Box 3053, Durham, NC 27705 by Feb. 20.

THREE POSITIONS. Project Coordinator, Information Officer and Editor are needed for a national anti-nuclear clearinghouse. Anti-nuclear expertise, writing and organizational skills essential. Send resume and writing sample to Nuclear Information and Resource Service, 1536 16th St., NW, Washington, D.C. 20036. Deadline: Feb. 21.

### POSITION WANTED

ANCIENT PROGRESSIVE wants last years to count. Retired, widower, good health, self-supporting. Background: journalism, public relations, union organizing, long love affair with agriculture, horticulture. Ryan, Box 1402, Southold, NY 11971.

LEAD ORGANIZER. Bilingual with four years experience. Available March 1981. Write: ITT, 1509 N. Milwaukee, Chicago, IL 60622.

Wauke, Chicago, IL 60622.

### BUTTONS, POSTERS, ETC.

"IMPEACH REAGAN" bumperstickers—\$1.00 each. "Don't register for World War III—the war without winners"; "Stop the draft" buttons. 50¢ each/\$5 for 20. We customprint your message. Donnelly/Colt, Box 271-IT, New Vernon, NJ 07976.

"RESIST" BUTTONS, 2/\$1. Progressive Foundation, 315 W. Gorham, Madison, WI 53703.

POLITICAL POSTERS, T-SHIRTS: women's, historical, health, anti-nuke, "Capitalism Is Organized Crime," etc. Stamp for catalog: Red Pepper, P.O. Box 11308-T, San Francisco, CA 94101.

"MEMBER—IMMORAL MINORITY," "Impeach Reagan," "Stop the Draft," "No Nukes." Buttons—2/\$1, 10/\$4.00. Bumperstickers—\$1.00 each, 10/\$6.00. Ellen Ingber, Box 752-T, Valley Stream, NY 11582.

### CALENDARS

THE PEOPLE'S ENERGY 1981 POSTER CALENDAR, beauty, hope, unity, consciousness. The whole year on one, full-color 18x24" poster. Wholesale available. \$3.75 (\$4.25 in tube); 3/\$10 (\$11 tube). Syracuse Peace Council, 924 Burnet Ave., Syracuse, NY 13203. (315) 472-5478.

### REAL ESTATE

YOUR OWN PLACE in the country. Sixteen page booklet tells how to find and buy it. Free information: Phoenix-5, Box 923, Iowa City, IA 52244.

### EDUCATION

REFERENCE GUIDE TO NON-TRADITIONAL DEGREE PROGRAMS. Educational Research Director, 506 Citizens Trust Bank, Atlanta, GA 30303.

CORNELL's Department of City & Regional Planning is again putting on its Progressive Planning Summer Program. The 1981 schedule includes a variety of 1-week, 3-week and 6-week courses. Courses on Community Development, Political Economy, Women and Planning, International Planning, Environmental and Health Planning. The faculty includes: David Barkin, Sarah Albert, Chester Hartman, Jacqueline Leavitt, Manning Marable, James Petras, William Tabb and Alfred

Watkins. Tuition is charged. For further information, write or call: Sander Kelman, Department of City and Regional Planning, West Sibley Hall, Cornell University, Ithaca, NY 14853. Tel. (607) 256-6212.

### ATTENTION

MOVING? Let In These Times be the first to know. Send us a current label from your newspaper along with your new address. Please allow 4-6 weeks to process the change. Send to: In These Times, Circulation Dept., 1509 N. Milwaukee Ave., Chicago, IL 60622.

ADOPT-A-PEACEWORKER movement will free thousands to work for peace full time. We need staff and trainees for organizing, fundraising, writing, printing, airplane pilots and mechanics, general help. Most staff to live together communally. Aquarian Research Foundation: (215) 849-3237 or 849-1259 any day or evening.

DO YOU HAVE A RARE ISSUE OF I.T.T.? You do if you have Vol. 1, #12 and 41; Vol. 3, #23 and 33; Vol. 4, #8,9,17,27,31,36 and 37; or Vol. 5, #1. They're valuable, but only to the microfilmer at ITT. If you have one or more of these issues to give, please send them to: Christie Balka, In These Times, 1509 N. Milwaukee Ave., Chicago, IL 60622.

### ORGANIZATIONS

STUDENTS & EDUCATION WORKERS: Tired of cutbacks in funding, declining wages, tuition hikes, and pro-management, undemocratic unionism? Write to Industrial Union Caucus in Education, Box 1564, Grand Rapids, MI 49501.

THEMM. The Equally Moral Minority. Bullock, 5072 Stoneboat, Columbia, MD 21044.

PHILADELPHIA AREA CITIZENS GROUP: Concerned Citizens of the Delaware Valley, Box 47, Bryn Mawr, PA 19010. For information, mention ITT.

### BOOKS

HISTORY OF POLITICAL ECONOMY says, "Gandy's beautifully written book is full of challenging ideas." Alfred E. Newman says, "Even I could understand it." MARX AND HISTORY by Ross Gandy. University of Texas Press. Austin 78712. \$14.95.

### SERVICES

RESUMES. Job hunting? A good resume makes your volunteer, part-time and political experience count. For information: Kaleidoscope

Media Services, Box T, 1240 Sherman Ave., Madison, WI 53703.

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By Paula Borenstein and Sarah D. Wolfe

## The Last American Sewing Machine

### A Fable of Business in America

**T**O MOST PEOPLE, THE NAME SINGER means sewing machines. What most people don't know is that the company has been putting its trademark on an entire range of products, from relatively simple calculators and power tools to complex telecommunications terminals and missile guidance systems.

The latest change in the vast Singer network involves its 107-year-old plant in Elizabeth, N.J. In October, the company announced that due to reduced demand and competition from cheaper foreign models, it was shutting down that facility's entire home sewing machine division.

Some 850 jobs will end, as will a chapter in American industrial history—the Elizabeth plant was the last factory in the United States manufacturing home sewing machines.

The sewing machine had many inventors. Isaac M. Singer's involvement with it happened almost by accident. While working as a laborer in a Boston machine shop in the 1840s, he was given a sewing machine to repair. Instead he built his own machine, which eventually was hailed as the most practical of its time. Singer's innovations were a single-thread chain stitch and a presser foot that kept the material in place. But his machine also incorporated some previously patented devices—as did every new machine being produced at the time—and when he tried to sell it, Singer became embroiled in the lively battle already being waged in the courts by Elias Howe and other inventors. The outcome of what the press dubbed "The Great Sewing Machine War" was the country's first patent pool, or monopoly. Every person who marketed sewing machines was obliged to pay \$15 per machine to the Sewing Machine Combination.

But patent infringement was not Singer's only problem. There was tremendous resistance to the mechanization of sewing both in the U.S. and abroad from factory owners, needle-workers and assorted defenders of the status quo. In mid-19th century America, women did most of the nation's sewing at home and by hand. The idea of women operating machines clashed with contemporary notions of feminine frailty and ineptitude. In newspapers and magazines, men decried machines whose sole function would be to give their wives idle time.

Then, too, factory owners, made skeptical by salesmen's inflated claims for some of the early models, had to be convinced that here, at long last, was a machine that would perform as advertised and not continually break down. Their employees, on the other hand, feared they would soon be out of jobs, and sometimes matters took a violent turn. In France, angry tailors descended on one establishment and burned it, forcing the owner to flee for his life.

Because of Isaac Singer's perseverance and the shrewd genius of his business partner, prominent New York lawyer Edward Clark, it was the I.M. Singer Co. that most successfully overcame public resistance and brought sewing machines into

general use. Singer was the first American company to spend a million dollars a year in advertising—much of it aimed at shaming husbands into buying machines for their wives. For those who could not afford to pay \$125 outright (the average yearly income for a family in 1851 was \$500), Clark let them buy on an installment plan—another first in American business for Singer.

Singer salesmen were sent all over the world almost from the inception of the company. By 1861, one-fifth of all Singer machines were sold outside the U.S., and by the mid-20th century, in some unindustrialized countries Singer sewing

*Continued on page 15*



Left: Isaac Singer wearing one of his party coats.  
Center: Singer sews the first stitches on his new machine.  
Right: Edward Clark, Singer's business partner.

